

Film
i Väst



Analysis.

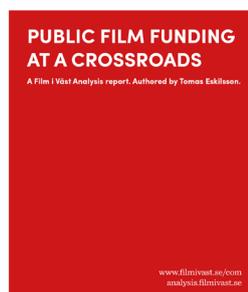
PUBLIC FILM FUNDING AT A CROSSROADS

Appendix: Ireland

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ABOUT PUBLIC FILM FUNDING AT A CROSSROADS

Public Film Funding at A Crossroads was launched in Brussels in March 2022. It can be downloaded at www.analysis.filmivast.se. Here you also find the ten territorial reports, executive summaries, with strong links to the main topics in *Public Film Funding at A Crossroads*. There you also find **Michael Gubbin's** report *Streaming Giants and Public Film Funding*. In May, during the Cannes Film Festival, Wendy Mitchell's study *Creative Overload*, will be published at the same web site.

Appendixes:

- Eastern Europe (Assistant Professor **Petar Mitric**)
- Flanders/Netherlands (Producer **Ilse Schooneknaep**)
- French speaking Europe (Senior consultant **Philippe Reynaert** in collaboration with Xanadu) - also in French
- German speaking Europe (Senior consultant **Manfred Schmidt**)
- Greece/Cyprus (Associate Professor **Lydia Papadimitriou**)
- Ireland (Dr **Mark Rainey** et al in collaboration with the WRAP Fund)
- Italy (Senior consultant **Rickard Olsson**)
- Spain/Portugal (**Belén Álvarez** et al in collaboration with Gabeiras& Asociados)
- The Nordics (**Tomas Eskilsson, Katarina Krave, Bengt Toll**)
- UK (MD **Leon Forde** et al in collaboration with OSPI)

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IRELAND

Introduction

Film i Väst, in collaboration with Nostradamus and Cine Regio AISBL (the European regional film funds' organization), with the support of the Western Region Audiovisual Producers Fund (WRAP Fund) has conducted a study focused on the current challenges surrounding public film funding in Ireland. It is part of a wider pan-European project entitled Public Film Funding At A Crossroads.

The circumstances governing the production, circulation and consumption of motion pictures have changed over the past decade. The production of narrative media has grown exponentially and with it the amount of capital involved. Hierarchies within the industry, both geographically speaking and in terms of the key players, have changed dramatically. The ongoing COVID-19 pandemic greatly affects the film and television industries and continues to have an accelerating effect on the paradigm shift taking place. Public film funding is at a crossroads while the world at large is undergoing rapid and radical changes. This report investigates managing the balance between "history", the present and the future in Ireland.

The Republic of Ireland is a unique territory in the wider European context. It has a population of 5 million although 50-80 million people claim Irish heritage worldwide. Ireland is highly centralised in terms of both governance and population with 1.9 million people living in the Greater Dublin Area. Growing in significance, the Irish screen industry contributed €289 million to the economy in first half of 2021 alone and directly supports 12,000 jobs. It is largely metrocentric with the majority of activity taking place on the east coast and focused in the Dublin/Wicklow area. Ireland has the highest per-capita cinema attendance in Europe. It is a predominantly English-speaking nation and, following Brexit, is the last country in the EU to use English as



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one of its official languages. This presents both problems and opportunities for the Irish film industry as it is at risk of being squeezed between the film sectors of the USA and UK while also developing its own audiences. English is the ‘second language’ of the EU and English language content made in Ireland will become increasingly important in the European context particularly as the Audiovisual Media Services Directive which requires a catalogue of European content to be available on streaming services is implemented. While English remains prevalent, the Irish language also plays a critical role in civic and national life. With 70,000 daily users and 1.7 million speakers, Irish is not only a national language, but also a living community language that continues to be represented in film, television and cultural output.

This study involved 15 thirty-minute semi-structured interviews with people in leading positions in the Irish film, television and animation sector. This included 8 producers, 3 distributors, 2 broadcasters, 2 film fund representatives, and 1 studio representative. In this report, ‘film’ covers a wide spectrum of creative arts including animation, television and all types of audiovisual content. ‘Public funding’ includes selective and discretionary financing through public bodies such as Fís Éireann/Screen Ireland, the Broadcasting Authority Ireland and the WRAP Fund as well as the television license and Film Relief tax credits under Section 481 of the 1997 Taxes Consolidation Act.

This research was undertaken Dr. Mark Justin Rainey (NUI Galway) and Dr. Patrick Collins (NUI Galway) in consultation with Sarah Dillon (WRAP Fund), Katarina Krave and Tomas Eskilsson (Film i Väst).

Executive Summary

There was consensus among participants that the film industry was in a state of transition. Established models of producing and bringing a film to audience are crumbling and being reassembled as streamers, VOD and new players enter the industry. There has been an explosion in screen content as well as a multiplication of platforms and devices for viewing this content. Both film and television are evolving, with the boundaries becoming increasingly blurred and in this changing ecosystem there are both challenges and opportunities.

For participants in this study, the primary role of public funding was to support culture by ensuring Irish stories were told through film and that Irish talent was nurtured and developed across the industry with a focus on promoting a diverse and experimental range of voices. In the context of co-produced projects and partnerships public funding strengthened the position of Irish talent in negotiations over

Intellectual Property (IP). This is particularly important in a context where international ‘super producers’ are increasingly paying upfront in projects to consolidate ownership. Across the board, participants felt attention should be given to maintaining IP within Ireland. Also important was the production of Irish language content and redressing the imbalance of activity in regions. The mainstreaming of Irish through audiovisual media helped to sustain it as an intergenerational language.

Public funding – in the form of both selective funding and tax credits - also had an important economic role to play. The film industry creates employment and brings direct and indirect investment and benefits to areas where film production is taking place. Alongside this, participants also felt that public finance was useful in developing the industry through supporting talent, creating quality jobs and developing skills. Although economic arguments were crucial for justifying public funding in the industry, there was consensus among participants that the cultural outputs were most valuable.

Views on the state of the film industry

Established models of producing a film and bringing it to audience are changing. How the industry worked even four or five years ago is no longer relevant for understanding the industry today. Pre-selling was becoming more common to get a project off the ground. While cinemas continue to have a role in the film industry, despite disruption during the COVID-19 pandemic, the windows for theatrical release have shortened considerably. Audiences are viewing content via multiple devices and platforms and there has been growth in content.

At first glance, the surge in production speaks to the strength of the film industry. Yet, participants raised concerns. While some questioned whether this growth was sustainable, others spoke about the banalisation and homogenization of content as ‘super producers’ such as Apple, Netflix, Disney and Amazon cemented their positions within the industry. There is increasing competition for skilled crew and workers in Ireland with larger, international companies soaking up the workforce for their productions as domestic and independent producers are unable to compete on the same financial level. There was concern that if the sector was to focus most of its attention on attracting international productions, the Irish film industry would be reduced to a service industry with less indigenous content being produced and less domestic ownership of content.

There is growing competition for audiences and how audiences engage with content is changing. Traditional platforms such as cinema

now exist alongside home viewing on wide-screen TVs and multiple smaller devices. How the industry attracts audiences is changing. As one participant said, ‘you don’t need Tom Cruise to be a success. You can cast someone with social media followers’. Industry players need to offer a range of content that is culturally diverse and relatable to contemporary Irish experiences. Some participants suggested that public broadcasters were losing younger viewers who watched short form content on multiple devices. Public broadcasters needed to produce such content and make it available via their websites.

Views on the Role of Public Funding

For participants, the critical role of public funding was to generate and support culture. For many this meant that public finance within the film industry should do what the market couldn’t or wouldn’t do. This meant telling Irish stories that not only reflected Irish society back to itself, but also did so in a way that could attract wider audiences. The cultural importance of public funding was allowing a range of voices to be heard. This included fostering a gender balance in the industry as well as expressing gender, racial and sexual diversity. It also meant nurturing and supporting Irish talent from across the industry, whether writers, directors, actors, producers or crew. One participant spoke about the strength of the Irish animation sector and recalled taking part in a trade mission to the USA. The mission introduced new animation studios to international companies and financiers rather than established ones. These new animators had gained experience with the support of public funding and making content for public broadcasters such as RTE which was a primer for promoting their work more widely. This promotion of Irish talent and Irish stories extended to supporting domestic films in international festivals and awards which would in turn create exposure and develop audiences.

Viewing public funding as a cultural concern was also linked to supporting Irish language content. Mainstreaming Irish through film and television would help buttress its continuation as an intergenerational community language. Public funding was seen as crucial for promoting Irish language talent in the industry.

There was frustration among participants with how centralised the Irish industry is, although this is changing. Public finance through bodies such as the WRAP Fund and the Regional Uplift within Section 481 tax credits was seen as vital to developing the industry in regions across Ireland. Local filmmaking brings benefits to local communities and allows for regional stories and regional voices to be heard. Audiences want to see their communities represented. While there are

added costs to regional filmmaking, funding could be loosened to allow more inter-regional flexibility. As one participant said, a production in Limerick should be able to access skilled crew from Kerry and still fall under the rubric of regional funding. Selective and competitive public funding was seen as crucial to promoting and strengthening the position of Irish filmmakers. Support from Fís Éireann/Screen Ireland or other public bodies meant a project gained legitimacy in the eyes of potential investors and partners. With investors increasingly expecting to see content in advance, public funding could also act as a primer to make the preselling content possible. It was also seen as important for strengthening the position of Irish filmmakers in co-produced projects, particularly in negotiations over IP, distribution and ownership. Maintaining IP was seen as essential for allowing domestic production to thrive.

While cultural arguments about the role of public funding were prioritized, participants also recognized that public funding had economic benefits and was crucial to the further development of the film industry. The economic benefits included quality employment, direct and indirect spend in the economy, tourism and basic multipliers such as consumer taxes and the benefits local businesses receive during a production. While international productions contributed to the economy, support for the domestic industry was viewed by participants as leading to a more sustainable and secure film sector in Ireland. Section 481 tax credits were regarded as attractive for both domestic and international producers but were essential for drawing inward investment. Indeed, tax credits were seen as key to sustaining the film industry in Ireland. They underpin the Irish film and television industries and give it a competitive advantage over other territories that do not offer tax credits. However, to support the domestic industry tax credits needed to be supplemented by other forms of public finance.

Industry development was also seen as part of the role of public funding. This meant supporting the domestic industry through nurturing a wide range talent, providing skills and training and career progression. Those working within the industry had the potential to become international ambassadors for the Irish film sector. Although economic arguments and industry development were crucial for justifying public funding, participants prioritized the cultural role of public finance.

Public funding should incentivize and stimulate the industry, but participants sometimes felt that they were expected to be grateful for it. They felt that more clarity about the role and strategic goals of public funding was needed in the current context. One participant suggested that an 'industry roundtable' that included studios, crew,

residual industries such as tourism, government departments and public funding bodies was needed.

Producers

The explosion in content production has been great for the economy and film crews but has also presented challenges for domestic film producers. There was consensus that more balance was needed between the needs of incoming ‘super producers’ and Irish production companies. Domestic filmmakers felt they were at risk of being disempowered in the current ecosystem. Big companies were increasingly paying upfront which included premiums for content ownership. This meant that IP was not staying in Ireland and consequently independent producers had little access to long tail income. Old models of investing in a project were being replaced by preselling a package in which a director, writer, actors and even content already in place. A major concern was that without the support of public finance the film industry in Ireland would become service industry shaped by big international players.

Alongside these concerns, there was also agreement among many participants from the production side of the industry that it was increasingly difficult to compete with big companies for crew and skilled workers. Larger international companies were simply able to pay more. There was a recognition that a skilled industry workforce needed to be expanded. A focus on skills was already embedded in Section 481 tax credits and there are hubs and academies bringing new people into the film industry. All this needed to be built upon and one participant questioned if there was a coherent, long-term plan for developing skilled workers. One participant suggested establishing a centralised and regional skills database. This would allow cooperation and flexibility in finding and utilising local and regional skills.

It was felt that direct and selective public funding was valuable in not only giving legitimacy to projects and promoting Irish talent, but also strengthening the negotiating positions of Irish filmmakers in co-produced projects. It was felt that the support and validation that was attached to public funding could be leveraged in negotiations over IP and content ownership. Public financing could be more strategically directed to this end.

Others: Distributors, Public Broadcasters, Public Funders and Cinemas.

There is intensive competition for audiences within the film sector and audience behaviour is changing as people view content across multiple devices and binge-watch screen content. Participants expressed the need for industry players to adapt to this ecosystem and public broadcasters in particular have struggled with this. It was felt by some participants that public agencies can be resistant to change. There is an established way of doing things among staff and leadership who don't always engage with new technologies. On the other hand streaming platforms were viewed by some participants as being a step ahead with audiences and greenlight content quickly. They are agile while a public funder or broadcaster might see a project as relevant and topical but then take more time to make it.

While there was recognition that established models of distribution and audience engagement were changing on account of the rise of streaming services, there was also confidence among participants that cinemas would maintain their cultural significance and important role within the industry. Participants felt that cinema offers a unique shared experience outside the home. Going to the cinema is an event, particularly as commercial cinemas increasingly turn towards creating luxury experiences. Yet, as a participant directly involved with commercial cinema stated, exclusivity remains crucial for their survival. Although theatrical release windows are shortening, participants felt that they will continue to be important for film companies as they provide additional hype and marketing for films as well as access to industry awards. Alongside this, as one participant noted, piracy has become a problem for 'day and date releases'.

Participants expressed the view that public service broadcasters and public funding bodies should be creating and supporting culturally relevant content not available elsewhere as well as developing talent and infrastructure in the industry. It was recognised that public broadcasters faced major challenges. RTÉ, for instance, was expected to fulfil multiple functions ranging from news and music, through to drama, documentary and children's television. At the same time public broadcasters were viewed as struggling to engage with younger audiences (as discussed above). License Fees in Ireland are primarily directed to RTÉ which, for one participant, created a centralised 'monolith'. Selective and contestable funding through bodies such as BAI were important in this context as other media outlets also create public service content and should be able to apply for public financing. One participant felt that English language content made in Ireland will become increasingly important as the EU works requirement for a

catalogue of European content is introduced. Public service broadcasters, in their view, have yet to recognise their potential in producing English language content for a European audience.

Conclusion:

As the Irish screen industry contemplates its future evolution, the participants' responses emphasised the cultural role that public funding should play. Culture encompassed telling Irish stories, nurturing and promoting Irish talent and supporting Irish language content. It included promoting diverse voices. For Producers, selective public funding was valuable in granting legitimacy to projects and thereby giving domestic filmmakers a stronger position in an ecosystem that is moving towards upfront payments from 'super producers' in their pursuit of IP ownership. Supporting domestic production would bring more balance and sustainability to an industry where major international producers continue to play an important economic role in Ireland. Ultimately, participants hoped that public funding would increase in the future as the importance of the film industry in the social and economic life of the nation was recognized. As governments address the impact of the global pandemic and wider budgetary issues, public financing will be pulled in multiple directions and developing a clear strategy for the role of public funding in film will become increasingly necessary.