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Towards a sustainable and diverse audiovisual sector in the regions

Section 481 and the regional uplift

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September 2022

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Dr Maria O'Brien is an academic and researcher. Her PhD on Section 481 was completed in 2020 in the School of Communications, Dublin City University. While this report was commissioned independently, she is now affiliated with Queen's University Belfast. She currently works as a lecturer in the School of Arts, English & Languages in Queen's University Belfast, on the MA in Arts Management & Cultural Policy.

drmariaobrien@gmail.com

This Research Project was coordinated by Ardán and has been funded by Fís Éireann / Screen Ireland under the Screen Stakeholders Scheme 2021.

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Key Takeaways

- The regional uplift helps Ireland align with national policy goals and is a key part of ecology of audiovisual production
- The regional uplift helps Ireland align with international policy objectives including the requirements for a cultural state aid under EU law
- The regional uplift helps establish a sustainable and diverse sector including the potential development of regional clusters
- Direct impact: the regional uplift has supported over 500 trainees since April 2019 under 140+ Skills Development Plans
- Indirect impact: primary and secondary industry sustainability and diversity
- Indirect benefit: the building up of the skills ecosystem within the regions through further and higher education courses and regional talent academies
- The regional uplift is valuable at 5% but less so at 2% given the costs associated with training. The short time span of the regional uplift, the tapering of the uplift from 5% to 2% together with a loss of near two years production because of COVID-19 restrictions has limited the potential impact of the uplift. Strong consideration should be given to restoring the uplift to 5% and extending the term
- The positive impact of the regional uplift restored to 5% could be improved by an holistic approach to the industry as a whole, through the creation of clusters aligned with existing support structures including regional funds and Creative Academies
- The 45 km rule requiring trainees to be resident within 45 km of the main centre of production creates significant difficulties for productions. This requirement should be amended.

There are four key concepts driving the research leading to a policy evaluation model

Beneficial

Robust

People-centred

Connected

The policy should lead to a sector that is:

1. Sustainable

Primary and secondary industry sustainability along horizontal and vertical axes of cycle of value chain.

By building **regional clusters of development**, the regional uplift can help develop sustainability along the horizontal and vertical axes of the cycles of the value chain includes consideration of interdependencies between primary and secondary players.

Primary players
Includes production companies, trainees, crew and cast, educational institutions

Secondary players
Includes services, tourism, government bodies, film archives, location offices

2. Diverse

Through opportunities for representation and through opportunities for training and work.

Contents

Introduction

Key questions addressed:

- What are the objectives of Section 481 and the regional uplift?
- How should we evaluate the regional uplift? Why should we evaluate the regional uplift?
- How can the regional uplift be improved to align with national and international policy objectives?

The Irish screen industries are going from strength to strength, with a diversity of productions and voices highlighting the uniqueness and heart of Irish cultures. The screen production industries, are a wide-ranging and complex sector, spanning the entire range from indigenous indie shorts to internationally supported productions. The Irish screen industries are valued both as an industry creating jobs, and as a way of representing the Irish nation at home and worldwide. The role of the state in supporting and constituting these industries is incredibly significant. This policy review focuses on the role of the tax credit in Ireland, and in particular the regional uplift, the specific measure introduced to promote the sector in the regions. The Irish government is increasingly focused on developing robust, sustainable regional industries, that is, industries outside the main urban centres, and the regional uplift for audiovisual production plays a central part to this strategy. Analysis of the sector to date shows a concentration of production centred around the capital city, Dublin. The regional uplift scheme focuses on training and upskilling which are very welcome goals. However, it is considered that in order to support a robust regional audiovisual industry, the focus on the regions should extend to supporting infrastructural developments in a holistic way.

This policy research report identifies clear and distinct advantages to the regional uplift scheme. It does so by placing it in a wider national and international policy context, by identifying multiple non-economic values potentially attributable to the regional uplift. It also flags certain shortcomings of the regional uplift system and offers suggestions for improvement going forward. In particular, there is clear evidence of reduction in regional production in 2022, most likely attributable to the reduction in the rate of regional uplift from 5 per cent to 3 percent.

Cultural policies are constituted by and reflective of a country's worldview: that is the vision of society implemented via specific policy measures such as Section 481. While often considered a taxation policy, it can be considered the most significant support for the Irish audiovisual industries and should be assessed as a cultural policy. Given the significance of tax credits for audiovisual production, we can look at Section 481 and the regional uplift as forms of cultural policy, in that it operates to shape the audiovisual culture produced in and about Ireland.

What is Section 481 and regional uplift?*

Section 481 is Ireland's tax credit for film and TV production. Introduced in one format in 1987 (as Section 35) it is seen as a crucial feature in supporting Ireland's film industries. Tax credits are common in the global audiovisual production landscape with over 100 such incentives identified by creative consultants Olsberg SPI in 2022 (Olsberg SPI Global Incentives Index, 2022). They are a significant part of a complex funding ecology, alongside state grants, public broadcaster funding, presales, and other fiscal incentives. Tax credits work by allowing a production offset certain Irish credit against their tax bill.

As a tax credit, it is an expenditure on the public purse rather than an erroneous perception of them as being costless. In an ideal world, tax credits work to counteract market failure, but in the real world, a 'tax expenditure is also used extensively to attract mobile investment, necessarily from places where it might otherwise locate' (Collins & Walsh, 2010, p.3). Tax expenditures are imperfect as they are fundamentally inequitable. They are not available to all, and they offer more significant benefit to those with higher incomes. Efficiency and effectiveness are difficult to measure. Therefore, any policy-making process that involves the extension of a tax credit must be undertaken carefully, analysing the benefits to broader society arising out of the revision of the policy.

The credit is, under EU state aid rules, driven by cultural rationales, reflected in the requirement for a cultural test. The European Commission, as guardian of the treaties of the European Union, is responsible for the approval of state aid measures. The Commission recognises the dual nature of supports for audiovisual industries across the EU as both cultural and economic/industrial, thus the cultural test put in place by Ireland to allow projects qualify for Section 481 are relatively widely drafted.

* For additional information on the operation of and parameters of Section 481, please refer to the legislation, DCHG and Revenue Commissioners guidance, the Film Regulations and information available via Screen Ireland (screenireland.ie). This report is not to be taken as offering legal advice. Independent legal advice should be sought for any project.

What is the regional uplift?

Ireland has introduced additional credits for regional development, that is, for productions that substantially (i.e., 50% or more) take place within an assisted region (essentially outside the urban centres of Dublin/Wicklow and Cork), to address a specific skills deficit and to provide training and skills development 'to individuals habitually resident in the assisted area'. The Finance Act 2018 made provision for the Regional Development Uplift for a period of 5 years through the provision of an additional rate on a sliding scale, from 5% in the first year (extended). Relief is given at an elevated percentage in respect of films primarily produced in an assisted region. This is referred to as 'Regional Film Development Uplift' in the Revenue Commissioner's guide from January 2022 and is called regional uplift in this report. The Section 481 (Film Tax Credit) Regional Uplift scheme was extended by one year by inserting an additional year of uplift at the rate of 5% in 2021. The uplift then reduces to 3% in 2022, 2% in 2023, and nil thereafter. The sliding scale of the regional uplift is not conducive towards the provision of training and skills development, and it is suggested that the regional uplift should be extended beyond its expiry date and reinstated at the full 5 %.

Statutory Instrument SI358/2019 amends the 2019 Film Regulations to include reference to the regional uplift. To summarise, a certificate will be issued under S481(2)(a) where a project is 'substantially undertaken (50% or more of eligible expenditure) in an assisted region, where it addresses a specific skills deficit in the assisted area and where it provides training and skills development to habitually resident individuals'.

Note that the Irish regional aid map was amended by notification to the Commission on 5 January 2022. On 19 April 2021, the Commission adopted the Guidelines on Regional State that it will use to assess the compatibility of all notifiable regional aid awarded or intended to be awarded after 31 December 2021 ("RAG"). Pursuant to paragraph 189 of the RAG, each Member State should notify to the Commission a single regional aid map applicable from 1 January 2022 to 31 December 2027. The amended notified regional aid map was approved by the Commission on 22 March 2022. It is possible that any revision or extension to the regional uplift to Section 481 will apply only to the revised regional aid map, if it is deemed to postdate the relevant date of 31 December 2021. However, the Tax Strategy Review Group's publication confirms that 'while a new regional aid map for Ireland has been approved by the European Commission for the period 01 January 2022 to 31 December 2027, the availability of the regional uplift will continue to be based upon the 2014 map until it has phased out in 2024' (p.15). The regional map together with the objective model are available here.

The Department of Finance's Tax Strategy Group's Corporation Tax publication in July 2022 provides information on the number of regional uplift productions certified by the Minister for Finance (note that certification occurs in advance of commencing production). There were a low number of claims in 2019, primarily because the regional uplift only commenced in July 2019 upon receipt of approval by the European Commission. The number of projects certified increased to 19 in 2020 and 24 in 2021 with increases in the West and Kerry, but no increase in the Border or Midwest. However, the 2020 production was impacted by COVID-19 so the actual tax relief claimed will be lower than anticipated (see below for analysis of data published by the Revenue Commissioners).

The objectives of the regional uplift

The objectives of the regional uplift are explicitly framed as cultural objectives and are summarised as:

- To provide additional support to incentivise the development of new, local pools of talent in the film sector in areas outside the current main production hubs, by supporting productions that locate in areas without existing talent pools and that incur additional costs in training local talent
- To support the geographic spread of the audio-visual sector and ensure a spread of production activity beyond the current traditional production hubs in Ireland
- To create sustainable employment in such regions and therefore increase employment in the audio-visual industry in areas beyond the current dominant regions
- To support the overall cultural objective of having an established and sustainable audiovisual industry in Ireland.

How to qualify for Section 481 and the regional uplift

To qualify for Section 481, a project must meet certain conditions. (See https://www.screenireland.ie/filming/section-481). The project must pass what is considered a cultural test. This condition is significant in considering the objectives of the regional uplift to show how Section 481 has a cultural rationale, and thus aligns with the requirements of the Commission's state aid policies. A state aid occurs where a government favours an industry on its own territory through the provision of grants or other aids, including tax credits. They are prohibited by the terms of EU law (under the Treaty of the Functioning of the European Union). There are various exceptions, including a cultural reason under Article 107(3)(d) of the TFEU.

The Commission accepts that there is a certain amount of industrial support required to enable a sustainable audiovisual sector within different member states across the EU. Nevertheless, the Commission are required to approve individual aid regimes and their renewals, extensions or amendments to ensure they align with the general thrust of the EU treaties. As part of this, the Irish government require a project to pass a cultural and industrial test. These tests are related, as the industrial aspects of an audiovisual production are deeply intertwined with what we might think of as the cultural aspects.

As part of the industrial test, there is a requirement for a Skills Development Plan. The requirement for a Skills Development Plan was introduced following a number of reports including the Olsberg 2017 Economic Analysis, the Crowe Horwath Report, and the report on working conditions in the film industry by the Oireachtas Joint Committee (Olsberg SPI, 2017; Crowe Horwath, 2017; Joint Committee, 2018). Under the guidelines, an applicant is requested to provide a Skills Development Plan that has been agreed in advance with and endorsed by Screen Ireland. There is a de minimis requirement, where productions under €2m budget may provide a plan direct to the Department of Tourism, Culture, Arts, Gaeltacht, Sports and Media with a minimum of 2 trainees. A Skills Development participant must be engaged for each €177,500 of corporation tax claimed up to maximum of 8 trainees. The introduction of the Skills Development Plan requirement is a welcome development in allowing for quality training and improvement of the overall labour issues within the audiovisual production industries.

As part of claiming the regional uplift, the requirement for a Regional Skills Development Plan explicitly links with regional development. Productions work closely with Screen Ireland to develop training and the skills plan. The use of skills development officers and the plan provides context, focus and structure to what was in the past a relatively ad hoc approach to training and development. The significance of targeted, robust investment in training is identified in a recent report on the UK industries by Nordicity with Saffrey Champness LLP for training body ScreenSkills. They identify indirect and induced impact of training with an economic return of more than 15 times the training investment. The report on the UK industries acknowledges the need for training for both the existing workforce and new entrants and emphasizes the importance of regional training outside the South East of England. While the report is on a different jurisdiction, it is of interest to the Irish sector.

In addition, the development of what can be described as a skills ecosystem within the regions is significant to develop the regional industries. New further and higher education courses have been developed to support regional development of the sector on the back of the uplift. The new regional talent academies will only enhance that further and support in a more concerted way any continuation of the uplift. Figures provided by Screen Ireland show that as of June 2022, since April 2019, over 140 Skills Development Plans have been submitted to Screen Ireland for approval and over 1,500 skills participants have been tracked on those productions. On the regional uplift: since April 2019, over 45 regional Skills Development Plans have been submitted to Screen Ireland and over 500 regional skills development participants have been tracked on those productions (see Appendix 1 for more statistics on productions in 2020 and 2021).

Of the 24 projects, 50% were based in the IE013 West Region, with the remaining projects spread across the Border, Mid-West, South-East and Kerry regions.

8	5	11
Feature Film Projects	Television Drama Projects	Animation Projects

Total number of Crew: 1,941
for the 24 Regional Uplift projects in 2021 (Average = 80.8)

Total number of Main Cast: 161
for the 24 Regional Uplift projects in 2021 (Average = 6.7)

Total number of Support Cast: 208
for the 24 Regional Uplift projects in 2021 (Average = 8.6)

Total number of Extras: 2,417
for the 24 Regional Uplift projects in 2021 (Average =100.7)

Length of Production Days: 8,669 days *
for the 24 Regional Uplift projects in 2021 (Average = 361 days)

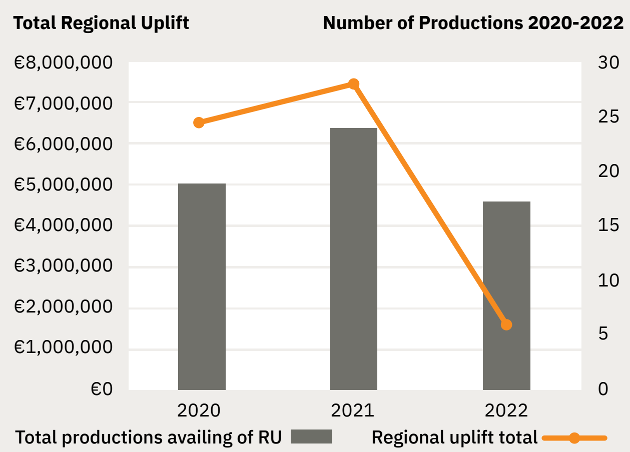
* Note: 2 of the animation productions were over 1,000 days. If animations are excluded there is a total of 2,752 days and the average excluding animations was 211 days.

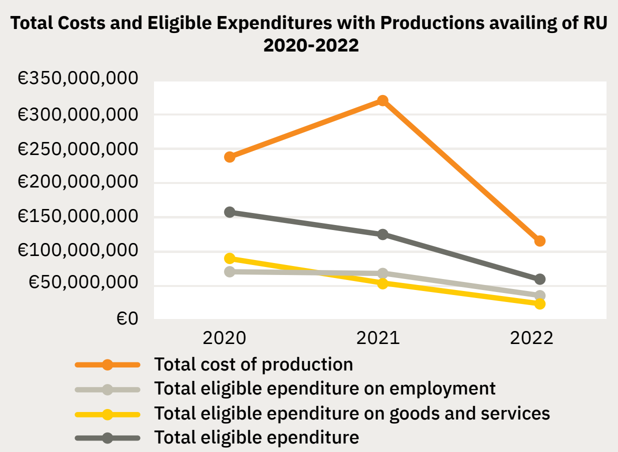
Analysis of production data

The Tax Strategy Review Group's Budget 2023 Corporation Tax report provides some detail on overall numbers of skills development participants under Section 481 Skills Development Plans with 713 participants in 2019, 702 in 2020 and 790 in 2021. However, data on the number of skills development participants and training days attributable to the regional productions each year is not (as yet) published. While the benefits of the regional uplift are not solely quantifiable, the availability of granular data on regional spend, employment, skills development participants and training days would help trace various aspect of the impact of the regional uplift. It is believed that spend in the regions and the number of people employed on regional productions has decreased in 2022. Data provided by the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media show a significant drop in the number of productions, total crew, length of production days, Section 481 eligible expenditure on employment and goods and services from 2019 to the first ten months of 2022 (figures provided to 18 October 2022). The number of productions availing of regional uplift was 19 in 2020, 24 in 2021 and only 14 from 1 January 2022 to 18 October 2022. Significantly, the total production cost of regional uplift productions has dropped significantly from €238,213,763 in 2019 to € €92,001,402 in the period from 1 January 2022 to 18 October 2022. If we conservatively assume pro-rata activity from mid-October to December 2022, total production costs in 2022 for regional uplift projects will be €113,065,696 – a drop of 28 per cent from the 2021 figures. It is highly likely that this significant drop in production is attributable to the reduction in the regional uplift rate from the 5 per cent rate in 2020/21 to 3 per cent in 2022. Similarly, the eligible expenditure under Section 481 has dropped from €160,079,564 over 19 productions in 2020 to € €47,025,827 over 14 productions from January to 18 October 2022.

The following tables show the drop off in production spend and on the amount of regional uplift claimed. For the purposes of tracking trends, the tables have been prepared on the assumption that the regional uplift spend from 1 January 2022 to 18 October 2022 continues at the same rate to end December 2022.

Table 1: Regional Uplift production trends 2020-2022





How do we measure the impact of the regional uplift?

A cultural policy evaluation method

Analysing the impact and value of a cultural policy is notoriously complex, given that many cultural values cannot be reduced to an economic metric. Various reports on Section 481 have tended to over-rely on what we can term instrumental arguments to justify funding. These arguments are based upon multipliers or return on investment figures and underplay the intrinsic, societal, and individual benefits of the arts.

Taxation policies like Section 481 can be evaluated under multiple metrics. One way is to question whether a policy is value for money i.e., is there an identifiable return on the amount of the tax foregone. An economic evaluation of Section 481 might look to return on investment through increased income tax take on pay, payment of VAT, and increased employment and spend. It may also attempt to quantify more unquantifiable impacts such as increased tourist spend, increased visibility internationally, and the soft power impact through the representation of Ireland on the global stage.

The 2017 Olsberg SPI with Nordicity Economic Analysis found a positive benefit to Section 481, with a return of €1.02 to each €1.00 of tax foregone on Section 481 (Olsberg SPI, 2017). The 2021 PwC report found that in 2019 the 'Film Tax Credit ... activity ... is of significant importance to the Irish economy, generating an estimated total economic contribution of €469.1m and a return on investment of 3.8 in 2019' (p.8, 2021) using Screen Ireland Section 481 production data and operational/expenditure data from 32 production companies responsible for 62 of the 124 2019 productions. The 2020 PriceWaterhouseCoopers (PwC) report examined a subset of 2015- 2018 film tax credit supported production activity. It held that high-profile international productions are attracted to Ireland because of 'the progressive section 481 tax measure, high quality studio facilities and the talent and skill pool available in Ireland' (p.3, 2020). Pointing to the importance of the regional uplift, the introduction to the 2020 PwC report held that 'the industry provides a critical secondary indirect economic contribution in local employment and local spend to the regional areas within which it operates through productions purchasing accommodation, transport, hospitality and other support services' (p.3), ibid. The report identified a quantified economic contribution and 'a range of ancillary benefits'(p.7, ibid) including regional production – direct and indirect employment and expenditure, a role in sustaining local and rural economies by providing people with opportunities and means to work and live in their local communities, cultural dividend, tourism and engagement with education and skills.

However, relying simply on figures for a direct return on investment fails to recognise the wider values identifiable in any policy that supports cultural production. Section 481 is, under any definition, a form of cultural policy, as well as a tax policy. The cultural and social benefits are central to the framing of Section 481 as a cultural state aid and as a form of cultural policy. The identification of unquantifiable benefits such as sustainability and diversity can complement, rather than replace evaluations on economic value. The Department of Finance acknowledged the quantifiable direct and indirect benefits arising out of the operation of Section 481, such as taxes on wages, social welfare savings, VAT, corporation tax and taxes on earnings of foreign labour in their Cost Benefit Analysis of Section 481 (2018). Significantly, it also acknowledged the additional indirect unquantifiable benefit 'of developing a robust film industry in Ireland and the related Irish cultural impact referred to in the analysis as the 'cultural dividend' (2018, p. 220).

The assumption in policy circles that Section 481 has to be at least cost-neutral, if not returning a quantifiably positive return on investment undermines the role of Section 481 as a cultural policy, failing to take cognisance of other benefits, whether intrinsic, instrumental or institutional (to use Holden's approach, 2006). This assumption arises out of a datafied, marketised approach to cultural policy that relies on identification of causal benefits from the foregoing of the tax take out of Section 481. When cultural value is reduced to an economic metric, problems arise when economic value is given primacy. What matters to an evaluation of the worth of a cultural policy is shown by what questions we are asking.

With the above in mind, let's look at how we can identify value within and evaluate the specific taxation measure. Assessing direct economic benefits requires access to the full financial statements, tax returns, Skills Development Plans of all projects that have claimed the regional uplift. It would also require longitudinal data tracing the careers of trainees under the Skills Development Plans. Such an approach (e.g., by way of the multiplier effect) has been done in the past and will no doubt be done again. However, it would be more difficult to definitively capture spillover values including tourism, soft power representational data, etc. But there are other values which are more difficult to identify, and which evade such measures. The very nature of these values is that they are mostly indirect – they can not necessarily be identified as a causal effect of the regional tax credit. However, while identifying the worth of these benefits is difficult, it is an important process to undertake.

An approach to cultural policy evaluation

The UK based Centre for Cultural Value (University of Leeds) has developed a set of evaluation principles to help 'build a shared understanding of the differences that arts, culture, heritage and screen make to people's lives and to society' (p.3). This is not a how to guide, but an 'articulation of values' and a 'starting point of a conversation' that will evolve over time (p.3). The twelve principles are grouped under four headings: beneficial, robust, people-centred and connected. Mapping this to the Irish audiovisual industries, and specifically the development of values around the regional uplift allows us to think about the potential values of the retention and extension of a regional uplift in the following terms.

Four principles of policy evaluation for the cultural and creative industries. The evaluation should be beneficial, robust, people-centred and connected.

To apply this to Section 481 and RU in particular, we can think of the following.

Policy evaluation should be:

1. Beneficial

Undertaking evaluative work of policy needs to be committed to learning and/or change. Learning over monitoring means moving beyond simple metrics. It involves the capture of baselines/existing data, evaluate why and how things happen and not just what, to share ongoing results, and allow for longer-term follow up using longitudinal data. It should be ethical: both in checking for value for money for public/society, in carrying out research, not being exploitative of time or money. It should have benefits for major stakeholders, share findings with those who have taken part, and keep information confidential as appropriate. It should be applicable: with actionable, realistic and relevant recommendations, useful for full range of stakeholders with suggestions for stakeholders, policymakers, participants, beneficiaries.

2. Robust

Evaluation should be rigorous, with empirical research. This report is grounded in policy research from Ireland and EU with evidence appropriate to scope of project – (note short project with limited access to granular tax data). It should be open-minded: with innovation in creative methods. It should be proportionate, with practical and pragmatic approaches with scope, scale and cost tailored to circumstances. Policy evaluation should only be done when useful and be open and realistic about possible limitations. This research is primarily an evaluation is of the policy, with additional scope to evaluate delivery of outcomes.

3. People-centred

Policy evaluation should be many voiced: listen to different voices and perspectives, avoid a falsely unifying authorial stance. It should be socially engaged, empathetic, and use a range of methods.

4. Connected

Policy evaluation should be transparent: open on method, data and interpretation, acknowledge limitations and share information. Note: as a lawyer and aware of tax issues and data and privacy, I understand the limitations on information release as it is commercially sensitive, however aggregated data could be useful. It should be aware: understand the context, activity, stakeholders and impacts. For this project, knowledge of the role of EU competition regulation, state aid function, cultural policy function has all led to the development of a connected evaluation model.

An evaluation model of sustainability and enhancing diversity

As Section 481 is approved under a cultural rationale, as a state aid requiring approval by the European Commission under the terms of the EU treaties, it has been established that the credit needs to have a cultural rationale. It also needs to be proportionate, offer value for money as it is a cost on the public purse, balanced, and effective. The evaluation process needs to be beneficial, robust, people-centred connected. Taking all these into account, what can we identify? It should represent value, not simply economic value but should take into account multiple and different forms of value, intrinsic, institutional and instrumental. Therefore, two distinct values have been identified as central to the evaluation regional uplift: namely sustainability and of enhancing diversity.

Sustainability and the regional uplift

The aim of the regional uplift is to increase production in the regions. Knowledge of the potentials of robust cultural policy towards the media production sector allows us to think about the potential of longevity of production in the regions. Building up knowledge through regular productions encourages industry sustainability. One of the rationales for funding big budget productions through tax breaks is to provide training for local production. Sustainability is a concept we tend to apply to environmental and economic fields, but it has resonances for cultural industries also. Socioeconomically sustainable local film production means meeting cultural sustainable development outcomes.

1) Intra and inter-generational equity to provide capacity for present and future generations to access cultural resources, production, participation and enjoyment
2) The value of cultural diversity for maintaining resilience as a human species
3) Precautionary principles to protect cultural heritage and valued cultural practices from disappearing
4) Interconnectedness among economic, social, cultural and environmental systems (from Muñoz Larroa, 2020)

How can the regional uplift help with industry sustainability? By building clusters of development, the credit can help develop sustainability along the horizontal and vertical axes of the cycles of the value chain (production, distribution and consumption) includes consideration of interdependencies between primary and secondary players. Industry sustainability also has environmental sustainability results through reduced travel requirements and more efficient production regimes.

Examples of primary players include: production companies, trainees, crew and cast, further education sector, regional talent academies

Examples of secondary players include: services, tourism, government bodies, film archives, location offices and more

The role of training and skills development

The continued availability of the regional uplift at a sustainable rate (i.e. 5%) can lead to reinvestment, pools of specialist workers, and a production system that can guarantee generation and maintenance of quality jobs, capacity to feed from creative sources, appropriate infrastructure and productivity levels, captive local and international audiences (from Muñoz Larroa, 2015; 2020, on Wellington's audiovisual production industry). Their analysis found that that local and co-ventures had the best sustainable outcomes, with limitations on the inward investment or overseas productions because of relative lack of sustainable outcomes. (e.g., key investment decisions are made externally and secondary economies might not generate spirals of increasing returns, top creative talent is from overseas, revenue and IP may not be kept in Ireland).

The Irish audiovisual sector differs in one key aspect to the sector examined by Muñoz Larroa. How does Ireland differ? The use of a targeted and precise Skills Development Plan process focused on training means that primary players, i.e., trainees, are supported in all sorts of productions, including local, co-ventures and international productions based in Ireland. There is still a problem with the retention of IP on certain international projects, coupled with the lack of regional facilities. These can be addressed by increased support for development of clusters rather than just on individual training, by increased help with distribution and exhibition, more robust policies on developing audiences in Ireland and abroad, alternative channels of distribution and commercialisation including online platforms and rights holders, and synergies with other industries and funding bodies.

KEY TAKEAWAY:
The central and key role of Skills Development Plan process and training in evaluating both the regional uplift and Section 481 as a cultural policy under EU state aid law and policy

The problem of the 45km rule

Funding production in regions with support of tax breaks that are available long term builds up resources in regions which allows for development of longevity and sustainability. Film production companies have slates, which allow them to mitigate risks on one with successes elsewhere. Individual project funding means lack of corporate growth. How can the regional uplift mitigate this? By providing resources and allow for long-term planning. However, the imposition of the 45 km rule which requires trainees to come from within 45 km of the centre of production is impractical and unfeasible. It assumes that there is a continuous source of employment post training that will allow the trainees to continue in the sector beyond the training contract. Instead, the project-based nature of the audiovisual production industries means that employment opportunities are not continuous but intermittent. A sustainable approach to regional production would focus on developing stable clusters of production including primary and secondary support systems. The regional uplift at a rate that encourages in-depth skills development and training can complement a supportive ecology of production including the existing regional funds (e.g., WRAP), film development offices, crew academies and links with regional universities and colleges.

KEY TAKEAWAY:
The 45 km rule is impractical and problematic and should be amended

The short time frame of the regional uplift

The relatively short-term nature of the regional uplift (5 years extended), combined with the challenges brought about to the sector by the COVID-19 pandemic means that sufficient time has not elapsed to see the potential impact of the regional uplift. It also must be taken into account that it takes a significant amount of time to build a local workforce and to build the ancillary (primary and secondary) resources that can support a regional sector. Retaining the regional uplift for a longer period of time will help develop a sustainable regional industry. The long drawn-out phased creation of an audiovisual production, through development, pre-production, production, post -production and distribution means that production locations tend to be identified well in advance of shooting. The short life of the regional uplift means that it may not be taken into account when planning a project. A longer term policy would both build a workforce and provide more certainty to the industry.

Analysis has been undertaken of the data published by the Revenue Commissioners of the beneficiaries of Section 481 between 2017 and 2022. These figures are released under authorisation granted by Section 851A of the Taxes Consolidation Act, 1997 (as amended) and are published in order to comply with EU Communication C322/01. A number of caveats apply. This data relates to tax relief granted and thus the figures are subject to change when tax returns are completed. The data refers to relief claimed, rather than completion of productions. The published figures are available from the Revenue Commissioners and are updated quarterly. The data are categorised by corporation tax band, by year of grant and by territorial unit. The territorial units do not correspond to the regional map in Ireland. Therefore, analysis has been considered of each of the territorial units (Dublin Region, Midlands West, BMW, South West, Southern and Eastern, ESE). The spike in numbers of claims in 2019 is partly explained by the changes to the Section 481 regime in 2018. Claims are banded (€10m to €30m, €5m to €10m, €2m to €5m, €1m to €2m, €500k to €1m, <€500k) rather than by exact amounts of relief claimed. The banded approach is used as otherwise confidential business information on the cost of a project would be divulged.

Analysis: Overall, the charts show that the number of claims in the Dublin region is significantly more than all other regions. There is a minor rise in productions in the Southern and Eastern region. There is a steady rise overall to 2019. The drop off since 2019 in the Dublin is partly explained by the reduction in production arising out of the impact of the COVID-19 pandemic, and due to a lag in claims for the tax relief. There is no significant evidence as yet of an increase in number of productions in the regions. It may be that a) COVID-19 impact is evident, b) the relief has not been claimed and c) the regional uplift has not been in place for a sufficiently long time to operate as a draw to the regions. Screen Ireland's production figures for 2021 show an increase in production spend with a 40% increase from 2019 (https://www.screenireland.ie/industry-insights). However, the data gathered does not distinguish between regional and urban development and therefore it is of limited use when attempting to identify trends in the regions.

KEY TAKEAWAY:
The nature of the audiovisual production process and the impact of COVID-19 on production indicates that a longer-term policy would help develop regional sectors

A holistic approach to the regional audiovisual industries

A tax relief like the Section 481 regional uplift should operate in conjunction with other support measures in a collaborative way. The regional audiovisual industries in Ireland, along with the urban audiovisual industries, are supported by various measures including for example regional funds, dedicated training schemes, regional film commissions. In addition, the establishment of relationships with various universities and training schemes is supported by the continuation of the regional uplift.

To address and support regional talent development for the screen industries there is strong evidence of collaboration and partnerships with animation studios and production companies through the Section 481 skills development. For example, in Galway, one of the larger animation companies works with Atlantic Technological University, National University of Ireland, Galway, Galway Technical Institute, Athlone Institute of Technology, Athlone and University of Limerick providing work placements to students to work in Edit, Design and Sound Departments. Screen Ireland has also collaborated closely with the Galway and Roscommon Education and Training Board in the development of a Media Production Assistant Traineeship now in its third iteration. Production companies which are shooting in the region are consistently recruiting and provided work opportunities. These traineeship and work placements offer's a strong talent pipeline into the industry and serves to offer these individuals to progress as new entrants to the Screen Industry. In Kilkenny the large animation companies continue to develop curriculum with some of the Technical Universities they also deliver masterclasses and provide work placements. Production companies in particular, producers constantly engage with third level by delivering much needed masterclasses and one on one support to up and coming graduates.

Troy Studios, Screen Ireland, LSAD, UL and Limerick Clare ETB continue to collaborate closely with Limerick Clare ETB and have developed several programmes in partnership and continually advise on curriculum development working close with industry.

KEY TAKEAWAY:
Tax reliefs operate as part of a holistic package of supports to help establish robust, sustainable regional industries

Diversity and the Regional Uplift

How can the regional uplift help with diversity in the audiovisual industries?

Diversity as a concept encompasses gender, region, age, class, ethnic and other demographics. Ruth Barton and Denis Murphy's 2020 report for the Creative Ireland Programme is an analysis of the role subsidies play in career construction in the creative sectors and the evolution of creative clusters. They hold that 'to unlock the sector's potential for growth we need to facilitate affordable living and working spaces in selected urban centres' (p. 7). For them, 'networks are important for career development, finding work, generating ideas, and moral support. These networks are formed very early and often last throughout careers. Clusters emerge out of third level education institutions and certain production environments' (p.6). We can see that the active formation of clusters through facilitating and encouraging film production will organically support career development. In addition, their interview data identified the significant role that college and early career work play in establishing networks in the film industry. The provision of credits through the regional uplift that facilitate clustering and networking will of themselves help to diversify production outside the main centres in Ireland.

These findings are also contained in O'Hagan, Murphy & Barton's 2020 article on the Creative Ireland report where they hold 'the findings indicate that a large majority considers geographic proximity to be somewhat or very important. ... [A] very large proportion of them consider networks/personal connections as very important to career success, connections which can best be facilitated through close geographic proximity' (pp. 91-92). Amongst their suggestions, they call for incentivising entry to training programmes outside third-level educational institutions in all regions to counterbalance clustering in these institutions.

To apply this to the regional uplift: the guidelines on regional uplift state that 'the key criterion for a producer company to bear in mind is whether the production is training skills development participants who are connected to that area and likely to remain in the area as part of a newly trained, local pool of talent' (my emphasis). However, the assumption that people who work on a production will remain in the area undermines the realities of the audiovisual production sector which is primarily project based. Instead, it is better to have a focus on development of sustainable clusters through the establishment of multiple supports for both primary and secondary sectors including training resources, suppliers, and the development of a sustainable industry rather than solely relying on individual participation and the thinking that a film worker will always stay in the one location. While the audiovisual industries are marked by precarity, it is central to its operation that it primarily works on a project-based approach. Therefore, limiting crew to a 45 km radius fails to understand the benefits of mobility in the industry. Instead, it is better to apply the regional uplift to focus on building a sustainable industry cluster in the regions, one which can support multiple trainees, develop a sustainable crew base, and offer a comprehensive production package to both local and incoming productions.

There is a lack of gender parity in the Irish screen industries, particularly in roles that are seen as more traditionally male, director, dop, etc. There are multiple reasons for lack of gender parity in the audiovisual industries, including societal pressures, lack of role models, patriarchal assumptions, the long hours in the industries which means women, who traditionally hold caring roles, are unable, unwilling or presumed so, to undertake industry roles. The efforts of Screen Ireland through the 6 point plan has attempted to bring about change, but this is a multi-dimensional issue and cannot solely be changed through funding issues.

The regional uplift can help support diversity in the audiovisual industries through providing opportunities for work on regional productions that takes into account caring duties and has a more long-term outlook through provisions of supports for development of clusters.

KEY TAKEAWAY:
Through representation and through provision of regional opportunities taking into account the complexities of the audiovisual sector

The policy context

Programme for Government - our Shared Future

Section 481 has been considered as central to the Irish audiovisual industries for decades, since its introduction in 1987 as Section 35. It has undergone various amendments to streamline the process and to align it with the needs of the sector. The regional uplift aligns with wider government strategies, most notably the recent Programme for Government. The importance of both the regional uplift and Section 481 to regional development is recognised at local, national and international level. At the national level, the inclusion of an explicit reference to the regional uplift in Programme for Government points to its significance to the sector. The Programme for Government asserts the government's ambition to meet challenges and translate such challenges into actions and to 'recover our economy, rebuild our society, renew our communities, and respond to the challenges we face' (p.6). It recognises that 'wellbeing of our nation' goes beyond 'the confines of economic growth' but looks to an Ireland 'where arts and cultural thrive' (p.7).

The Programme for Government explicitly confirms it will 'ensure that our tax regime remains supportive and attractive, following the success of the Regional Film Development Uplift' (p. 88). This is complemented by other policy considerations towards the audiovisual sector including the implementation of the Audiovisual Action Plan, the continued funding of Screen Ireland, full implementation of the Audiovisual Media Services Directive, the development of a Digital Creative Industries Roadmap and importantly work towards the guarantee of the protection of intellectual property rights and digital rights for the creative sector, and to ensure the full implementation of the new EU Copyright Directive and finally, to support the development of new studio space and the upskilling of audio-visual workers (PfG, p.88).

The July 2021 report on the Well-being Framework (WbF) for Ireland (Government of Ireland) aims to provide an overarching structure 'for public policy with an overarching vision to enable 'all our people to live fulfilled lives now and into the future' (p. 14) including fulfilling employment opportunities, equality of opportunity, sense of place and sustainable connected communities. It moves on from traditional macroeconomic indicators to take a holistic approach and will be used across policymaking to set policy priorities and a complementary tool for evaluating policies and programmes. The WbF reflects the OECD's How's life model with eleven dimensions to the framework across the topics of person, place, society. Most notably for our purposes these include:

- work and job quality
- communication, social connections and cultural participation
- Knowledge and skills (including life, formal education and innovating which includes intellectual property)

There is emphasis on the importance of local area with the recognition that where one lives impacts one's ability to maintain and develop social and community connections. The regional uplift helps develop this. The recognition that work and job quality include both the availability of jobs and size of labour force, protections that might mitigate risk, quality of work including fair remuneration and non-material aspects, e.g. career development and availability of learning opportunities including location arrangements.

The NESC and Working group input consultation with 450 responses identified a specific value on Irish culture which was not captured by the OECD framework. Crucially, this found that 'the ability to engage with one's heritage, engaging in cultural activities, and membership of sporting, artistic or creative groups has been included in the Community, Social Connections and Cultural Participation dimension, and opportunities for engagement in sports, arts and culture are explicitly noted under personal time in the Time use dimension' (p.39).

The importance of the EU state aid law and policy dimension

In order to understand the 'cultural value' aspect of tax reliefs for the audiovisual industries, we need to look to the state aid regulation dimension. As Ireland is a member of the EU, the state is precluded from granting favourable terms to those operating in its own territory (i.e., Ireland) as this potentially creates an imbalance in the free operating of the internal market of the EU. Thus, from an EU perspective, state aid in the form of tax reliefs for particular forms of production is deemed fundamentally anti-competitive. It is believed that a free market operates best. However, certain types of aid are permitted because of their positive effects which are deemed or presumed to outweigh the negative impact. Specifically for aids for culture, we look to Article 107(3)(d) of the Treaties of the Functioning of the European Union. Essentially, state aid is prohibited unless it meets one of the specific exemptions. Article 107(3)(d) allows aid for cultural rationales. To aid with their decision-making process, the Commission (as guardians of the treaty) developed the Cinema Communication (2013) through an extensive consultation process. The Communication guides the Commission decisions. Essentially, the Commission take a pragmatic approach to the concept of culture and have indicated that a level of industrial support for film production is necessary to support the cultural aims of a policy.

This background is important for a number of reasons:

- We need to understand Section 481 as a form of cultural policy not just a taxation policy
- Evaluation of Section 481 should take cognisance of the state aid rules and the cultural exemption under Article 107(3)(d)

Some examples of the operation of the regional uplift

Four distinct examples of audiovisual production in Ireland have been identified to both develop the policy analysis framework, and to highlight different aspects of audiovisual production in the regions. These examples include film, TV, animation and studio production. Each of the chosen examples show the importance of the regional uplift, through the identification of primary and secondary direct and indirect benefits and how the production may align with goals of sustainability and diversity.

The analysis used is
- Beneficial: committed to learning and allowing for follow up
- Robust: open-minded and proportionate, pragmatic, realistic about limitations
- People-centred: engaged and with participant feedback
- Connected: transparent with knowledge of policy context of sector

Cartoon Saloon

Cartoon Saloon is a globally recognised animation studio based in Kilkenny, Ireland. With a number of feature films, it is an Academy Award nominated animation studio which has carved a special place in the international Animation industry.

For Cartoon Saloon, the existence of the regional uplift is crucial to development of projects and allows for the allocation of significant resources to targeted training. However, there are issues with the scope and operation of the credit. For Cartoon Saloon the regional uplift is not a perfect model, but it is important to allow for robust training of staff. The particular structures of the animation industries mean that Section 481 and the regional uplift don't necessarily fit in with a bricks and mortar, long-term industry like the animation industry. There are significant issues with the sliding scale as the lower amounts (2%) don't necessarily cover the costs incurred on training. The short-term nature and priorities of the industry seem to be predicated on identifiable figures (e.g. numbers trained, value of eligible expenditure).

The particular conditions of the regional uplift aren't built upon long term goals or career progression or longevity but are entry jobs each time. While this is good to get new trainees in to the industry, it fails to acknowledge the structures of the animation industry. The value of the regional uplift when completing work for companies such as Apple, Netflix means it is difficult to work with logistics of working with a Skills Development Plan for 2% rate. An credit at a higher rate with a longer sunset time (e.g., ten years) would allow for longer term training.

PRIMARY PLAYERS: employer, employees, trainees
SECONDARY PLAYERS: local spend, accommodation, representation of Ireland on the global stage

Troy Studios

Troy Studios is Ireland's newest & largest studio facility located in Limerick, Ireland's third largest city. Productions include *Foundations* (for Apple) and *Nightflyers* (for Netflix/NBC Universal). It has recently been acquired by a joint venture of Hackman Capital Partners and Square Mile Capital Management who acquired both Troy Studios and Ardmore. The tax credit regime including the regional uplift offer both challenges and opportunities to the specific requirements of a large studio based facility like Troy Studios. The existence of a robust training system that helps to grow a sustainable ecosystem centred on Troy Studios means that the tax credit offered to the productions taking place in Troy Studios provides opportunities for training local crew. There is a growing crew base locally, but it doesn't constitute a sustainable cluster as yet. There is a possibility of a self-sustaining ecosystem with a longer credit. There is a significant issue with the 45 km rule. It is too narrow to identify good trainees who might have useful experience. Significant relationships have been developed with various feeder networks and crew hubs. However, when the regional uplift is at 3% and tapering it is going to cost having trainees. There are some suggestions for improvement to the regional uplift regime to further support the studio production system including more cohesive training and further upskilling to build pipeline of crew. The regional uplift system allows Troy Studios to develop local clusters of production, to create and sustain a pool of specialist workers and eventually a self-sustaining production system that can both generate and maintain quality jobs in the regions.

PRIMARY PLAYERS: crew workers, trainees, international productions and national productions
SECONDARY PLAYERS: local spend, hospitality, hotels, electrical contractors, services and broader feeder network, Limerick tourism

Treasure Entertainment: *Smother* x 3 seasons

Treasure Entertainment is one of Ireland's leading independent production companies with a proven record in producing commercially and critically successful films and television for Irish and international audiences. *Smother* is a 3 series project based in Lahinch, Co. Clare, embedded both culturally and representationally in its location, with the use of local talent on and off-camera, crew and suppliers. For Treasure, the requirements of the regional uplift meant it was challenging to identify new trainees each season who would qualify under the regime.

The Clare Echo identifies a 'huge spin-off' for local community through the use of local amenities, shops, hospitality and services. In an article on the international sales of the series, the BBC reported that 'shooting locations are based in and around the stunning seaside town of Lahinch, Co Clare'. Working within the confines of the 45 km rule which requires trainees to come from within 45 km of the centre of production is a problem for such a production. The filming of three seasons of *Smother* allowed for the production to develop long-term relationships with local suppliers and industries (both primary and secondary). Given the specific nature of filming TV drama across different seasons meant that different trainees were taken on board for each season. This offered additional opportunities to those looking for experience in the industries, and also worked as a stepping stone for certain trainees who could move away from Lahinch post-season to take up roles elsewhere. The loss of trained crew might not have counted as a success for the establishment of a local audiovisual cluster in Lahinch. However, it is evident that the industry across Ireland needs more experienced crew and therefore it is a positive for the industry in general. In addition, the establishment of a wider support structure of primary and secondary players beyond trained crew is a positive and will work to support future productions in this locality.

PRIMARY PLAYERS: training, accommodation, transport, clustering, production companies
SECONDARY PLAYERS: catering, engagement with local education, suppliers, transport, surf schools, location providers, tourism

Subotica: *Joyride*

Established in 1998, Subotica is one of Ireland's leading film and TV production companies working with writers, directors and co-producers in the development and production of content for cinema and television. Their recent production *Joyride*, (Dir. Emer Reynolds, 2022) starring Olivia Coleman is getting its world premiere at Galway Film Fleadh in 2022 and was filmed over five weeks on location in Kerry. As local press reported (*Tralee Today*), 'Emmy Award-winning director, Emer Reynolds, was delighted with how it went commenting that "Kerry brought an ineffable magic to the film. Its people, beauty, wildness, poetry, humour, light & scale, all of which have seeped into the film's DNA'" (Dermot Crean, *Tralee Today*). In February 2022, *The Guardian* reported on the film as part of the 'boom in production' in Ireland.

The regional uplift was a direct influence on the choice to film in Kerry as it offsets increased costs in travel, crew and logistics. The links with local colleges and training with formal placements via Screen Kerry is an invaluable asset and shows the importance of a clustering approach, rather than a piecemeal approach to developing audiovisual productions.

Screen Ireland's summary of the *Joyride* skills development case study by Jamie Colclough confirms that 'Joyride's skills plan included six trainees and two new entrants that were local to the region as well as an internship program with a local college' (Screen Ireland).

Illustrating the importance of links with the education sector, the production worked with Kerry Monavalley Campus to offer internship placements for students on the Broadcast Production Skills course. The full case study by Subotica highlights the pivotal role of Siobhan O'Sullivan of Screen Kerry who assisted in finding crew through the use of an established database. It also emphasises how the skills development and training aspects, which are conditions of the tax credit, are centred in the development of the production. The case study tells us that 'the individual learning objectives were put together early on in production by a collaboration of the skills participant and their mentor in discussing the mentors' requirements for that particular department and how the skills participant could perform the relevant tasks and have more knowledge and experience by the end of the shoot with a possibility of moving up to a higher position' (2022).

In addition, the case study explicitly flags the problems arising from the 45km rule which means, without the time to develop a crew base with some experience, only inexperienced trainees were hired. While it is important to train new entrants to establish local crew bases, this will only arise with the support of a holistic ecology supported through multiple initiatives and not only the regional uplift. The regional uplift is claimed on a per project basis, in alignment with the structuring of Section 481 claims, however the establishment of a robust, sustainable industry will not happen only through the work of individual projects, but through such projects aligned with a support system and infrastructure.

PRIMARY PLAYERS: training, accommodation, transport, clustering, production companies, local training colleges/third level institutions
SECONDARY PLAYERS: Catering, engagement with local education, suppliers, transport, tourism

Caveats on reporting

Figures on Section 481 and the regional uplift have been provided by Screen Ireland. While this illustrates the buoyancy of the sector, even with the restrictions of Covid-19 in 2020-2022, it does not fully capture the multiple potential values generated from the regional uplift.

There is insufficient data available on the financial aspects of Section 481 as yet. The granular data on the operation of Section 481 and the regional uplift has not as yet been generated. Given the way Section 481 operates in a retrospective fashion, companies have some time to claim back repayments. Under the terms of the Taxes Consolidation Acts 1997 as amended, tax information provided is confidential. Revenue is rightly concerned that any release of information will mean citizens are reluctant to provide further information. However, the lack of empirical data so far on Section 481 means that it is difficult to work out the purely fiscal impact. However, this report is centred on what is termed the broader or non-fiscal values from the regional uplift. Such values, which we can call social or cultural are difficult to represent in fiscal terms. Finding ways to identify such values without reducing them to numbers on a balance sheet is important. There is no magic bullet of evidence by numbers for cultural value. Value for money in policy terms is complex.

A wider and more in-depth qualitative analysis of more projects which have availed of the regional uplift would be of interest also. Again, the confidentiality of production data restricts obtaining in-depth information of the financial benefits of scheme. Measuring spillovers or ancillary or secondary benefits of the regional uplift could be carried out by tracing repeat primary and secondary players in specific regions which will help identify sustainability of clusters and not just trace the career trajectory of individual trainees.

Report recommendations

- **Extend regional uplift for longer term (ten years) to allow development of clusters of production and to embed sustainable development in the regions**

- **Restore the regional uplift to 5 percent**

- **Revise regional uplift to allow for longer term training contracts rather than new entrants each time**

- **Review the regional uplift to operate as part of wider supports for the audiovisual industries to include expansion and development of Screen offices around Ireland, more funds from public broadcasters, links with universities, colleges and more for internship programs, change of educational curriculum for 2nd level to bring film into education. There is provision in the Skills Development Plans for links with further education and this should be actively encouraged through engagement and incentivisation**

- **Any review of the regional uplift that may take place should engage with key stakeholders and industry partners to take into account the different modes of operation of the different aspects of the audiovisual industries in Ireland**
  a. **recognise that animation and live action do not operate in the same way and these differences should be considered in all elements of the regional uplift programme**
  b. **engage with industry partners to ensure any enhanced model of the RU would suit the specific needs and set-up of productions in animation & live action**

- **Change/remove the 45 km rule as it is overly restrictive**

- **Provide additional support structures including database of trainees. Screen Ireland are developing a workforce database for crews and trainees to track workforce growth and development**

- **Provide for funding to trace longitudinal data in the industry, including tracing the career path of trainees under the Skills Development Plans**

- **Practically, for the purposes of the regional uplift and Section 481, it can be difficult to source goods in an assisted area. Longevity of the tax credit will build secondary supports and thus help with sourcing in assisted areas**

- **Additional training opportunities within a project require more resources and more budget expenditure. In order to track more participants, a grant for Skills Development Officers/ Co-ordinators would be invaluable and beneficial to the project. It is noted that the cost of a Skills Development Officer can form part of the skills spend for Section 481.**

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Appendix 1: figures provided by the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

The regional uplift figures for 2020

Total amount of productions that applied for the regional uplift (successful and unsuccessful) in 2020 - **19 projects** were successful in 2020. None were unsuccessful.

Total amount of productions availing of the regional uplift in 2020 - 19 projects for 2020

Total Cost of Production €238,213,763
(on regional uplift projects in 2020)

Total Eligible Expenditure on Employment €71,690,351
(on regional uplift projects in 2020)

Total Eligible Expenditure on Goods & Services €88,389,213
(on regional uplift projects in 2020)

Total Eligible Expenditure €160,079,564
(on regional uplift projects in 2020)

Regional uplift 5% TOTAL = €6,561,405 *

* Note: this figure is based on the figures at application stage and the exact amount of the credit may differ slightly from the amount actually claimed back from Revenue

1	7	9	2
Feature Film Project	Television Drama Projects	Animation Projects	Creative Documentary Projects

Total number of Crew 2,116
for the 19 Regional Uplift projects in 2020 (Average = 111.3)

Total number of Main Cast 113
for the 19 Regional Uplift projects in 2020 (Average = 5.9)

Total number of Support Cast 134
for the 19 Regional Uplift projects in 2020 (Average = 7.0)

Total number of Extras 3,627
for the 19 Regional Uplift projects in 2020 (Average =190.9)

Length of Production Days 6,683 days **
for the 19 Regional Uplift projects in 2020 (Average = 351 days)

** Note: 2 of the animation productions were over 600 days. If you excluded all the animations, the Total = 2,363 days and the average excluding animations was 236.3 days.

The regional uplift figures for 2021

Total amount of productions that applied for the regional uplift (successful and unsuccessful) in 2021 - **24 projects** were successful in 2021. None were unsuccessful.

Total amount of productions availing of the regional uplift in 2021 - 24 projects for 2021

Total Cost of Production €324,061,531
(on regional uplift projects in 2021)

Total Eligible Expenditure on Employment €67,200,080
(on regional uplift projects in 2021)

Total Eligible Expenditure on Goods & Services €56,553,261
(on regional uplift projects in 2021)

Total Eligible Expenditure €123,753,341
(on regional uplift projects in 2021)

Regional uplift 5% TOTAL = €7,509,532 *

* Note: this figure is based on the figures at application stage and the exact amount of the credit may differ slightly from the amount actually claimed back from Revenue

8	5	11
Feature Film Project	Television Drama Projects	Animation Projects

Of the 24 projects, 50% were based in the IE013 West Region, with the remaining projects spread across the Border, Mid-West, South-East and Kerry regions.

Total number of Crew 1,941
for the 24 Regional Uplift projects in 2021 (Average = 80.8)

Total number of Main Cast 161
for the 24 Regional Uplift projects in 2021 (Average = 6.7)

Total number of Support Cast 208
for the 24 Regional Uplift projects in 2021 (Average = 8.6)

Total number of Extras 2,417
for the 24 Regional Uplift projects in 2021 (Average = 100.7)

Length of Production Days 8,669 days **
for the 24 Regional Uplift projects in 2021 (Average = 361 days)

** Note: 2 of the animation productions were over 1,000 days. If you excluded all the animations, the Total = 2,752 days and the average excluding animations was 211 days.

Appendix 2: figures provided by the Revenue Commissioners

Section 481 figures to end 2021

Table 2: cost of films to end 2021

YEAR	NUMBER OF PROJECTS	VALUE OF CREDIT €M
2015	72.0	€50.9
2016	112.0	€88.4
2017	98.0	€100.4
2018	71.0	€53.3
2019	100.0	€99.3
2020	76.0	€113.8
2021	63.0	€98.0

Table 3: portion of those films and costs claimed under a certificate with a regional uplift

YEAR	NUMBER OF FILMS	CREDIT CLAIMED TO DATE €M
2019	2.0	€1.5
2020	16.0	€43.0
2021	21.0	€34.0

NOTE:
The films are tracked based on the year they are certified and calculated using the value of the credit at that point in time. Therefore, if film was certified in e.g., 2019 and made a claim in 2020 for 90% (based on budgeted expenditure), this is the value recorded in the 2019 column. These numbers are provisional and are subject to change as more claims (initial or balancing) are made.

The value given for the uplift is the full cost claimed to date of those films (i.e. the total value inclusive of the additional 5%) of the films certified in the relevant year

Appendix 3: Production figures summary

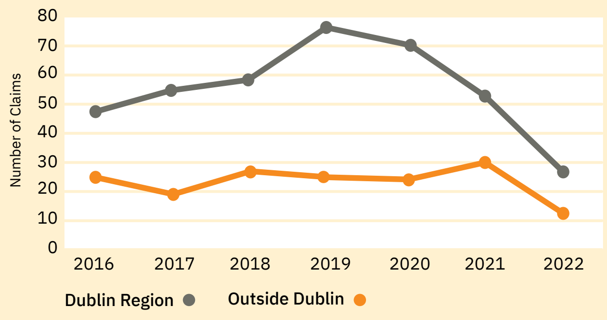
From Screen Ireland recent report: 18 February 2022 https://www.screenireland.ie/news/record-breaking-production-figures-for-the-irish-screen-industry-in-2021-published-by-fis-eireann-screen-ireland

- In 2021, across feature film, documentary, animation and TV drama, the total production spend in the Irish economy for 2021 was €500 million – 40% higher than 2019's previous record spend.
- In 2021, local Irish film activity increased by 52% from 2019, reaching the highest year ever for the category. New feature films coming for 2022 include *Nocebo, Joyride, Aisha* and *God's Creatures*.
- Local TV drama production spend increased by 40% from 2019, showcasing the impact of increased funding and support. Since Screen Ireland's introduction of development funding for TV drama in 2015, TV drama spend has increased by 145%. Upcoming Screen Ireland-supported TV drama in 2022 and beyond shows no signs of abating, with new series *Holding* based on Graham Norton's novel, *The Dry and Redemption* due to make waves with Irish and international audiences later this year.
- Local Irish animation also demonstrated an increase in production in 2021 of 27% after a decade of rapid growth that culminated in a phenomenal surge in 2019, where the sector quadrupled in size. New projects recently released include animated feature film *Tea for the Dead* and TV Series *Lady Bird Liu*.
- International production activity grew by 45% with projects such as Disney's *Disenchanted* which filmed on location in Dublin and Wicklow, hiring up to 98% Irish crew representing over 1000 jobs on the production.
- Throughout 2021, Screen Ireland funded film, television and animation projects picked up over 35 major international award nominations including Academy Award, Golden Globe, Emmy and BAFTA nominations.

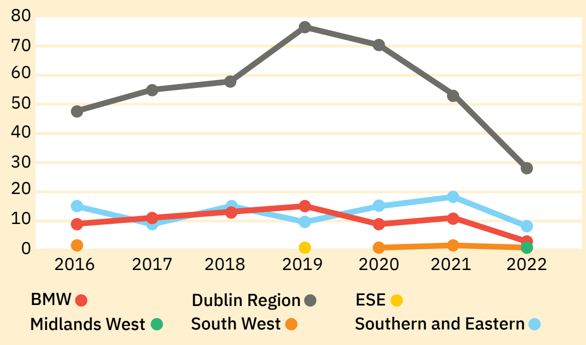
Appendix 4: From Revenue Commissioners Section 481 Data on claims

Table 4: Data on Claims

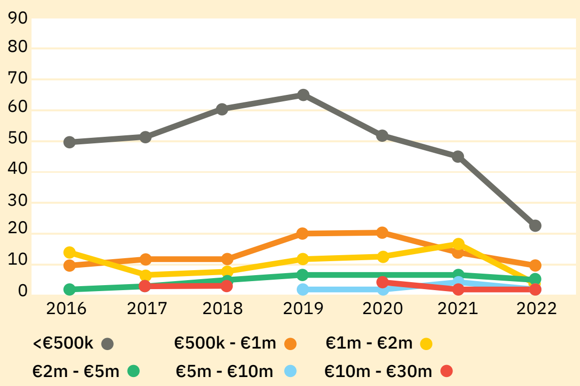
Number of Claims in Dublin Region and outside Dublin



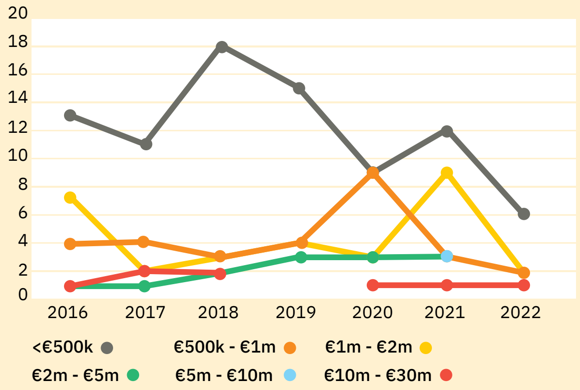
Number of Claims per Region



Number of Claims per size per year (all Regions)



Number of Claims per size per year (all Regions except Dublin)



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