

Mediatique

Broadcasting Authority of Ireland

Review of Sound & Vision 3

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Executive summary

Objectives, methodology and outline of the scheme

- Mediatique was commissioned to assist the BAI in their statutory obligation to review the operation, impact and effectiveness of the Sound & Vision 3 Broadcasting Funding Scheme.
- The review requires an assessment of how the scheme operates and performs against its stated objectives, and in particular the effectiveness and efficiency of its operations, its impact on the value chain and on production and availability of (in particular) Irish-language content and its role and impact within the current media landscape.
- A key aim of the report is to provide a comprehensive basis for informing the BAI on developing a revised scheme(s) in 2020. In this context, we were asked to consider how robust the scheme and its successors are likely to be, now and in the future, given any anticipated changes in the broadcasting landscape over the next 5-10 years, as well as the impact of any scheme that may operate adjacent to a new scheme or schemes (e.g., funds sourced from new content levies or other funding sources).
- A range of research methodologies was required to inform the various aspects of the review, including: a review of internal BAI data; secondary research; a bespoke consumer survey (delivered by Ipsos MRBI); an online survey of producers; and stakeholder interviews.
- S&V3 has been in operation since 2015, and in that time 10 funding rounds (numbering 23 through 32) have been completed. Across these rounds, the scheme has received 2,433 applications for funding, of which 939 were TV projects and the remaining 1,494 were radio projects. From these, 1,200 projects (293 TV and the rest radio) have been awarded €56m in funding.¹ By funding level, TV represented 89% of funds expended, to radio's 11%.
- With an annual budget of roughly €12m, S&V3 has a funding requested to funding allocated ratio of 4:1. Despite such over-subscription, success rates for applications are high: 31% for TV and 61% for radio. Success rates by language (across TV and radio) are fairly consistent: 51% for English content, 45% for Irish content, and 40% for bilingual content.
- Since 2015, the scheme has helped fund 2,654 hours of Irish content broadcast across TV and radio (reflecting post-award adjustments). The majority of the hours funded are radio hours, where documentaries and entertainment are the two biggest categories. Whilst radio represents roughly 70% of hours funded, it accounts for about 10% of the funding awarded. This is unsurprising due to the relatively low cost per hour of radio production compared to TV production.
- Since round 30, the gender of key production staff has been tracked. In the most recent round, 49% and 43% of producers and writers respectively were female, as were 39 of the 124 directors. The results reflect a strong female presence at senior level in the applications submitted to the scheme.
- In addition to the open rounds, 10 projects have been awarded €207,505 in funding as part of the Ancillary Measures included in the scheme. Of these, five have been stand-alone projects, while the remaining five have been part of one of two larger initiatives that run within the Ancillary Measures; these are the *BAI-CMF Co-Development Fund* and *Cine 4*.

Observations on operations, effectiveness and impact

- There is broad support – among the general population and relevant stakeholders – for intervention to promote Irish content including content in the Irish language. Like other small nations sharing porous borders

¹ Due to post-award adjustments, the actual allocation under S&V3 to date amounts to €54.8m.

with larger, culturally powerful neighbours, Ireland is unlikely to see significant indigenous content reflecting Irish culture, heritage and diversity unless there is public intervention.

- We have found that the application process, decision-making and accountability are broadly transparent and fair, with the BAI properly exercising its duties in regard to the expenditure of public money. The impact of the scheme is significant (particularly for community TV and radio) and the scheme's effectiveness in meeting key objectives (including diversity and promotion of the Irish language) is undoubted.
- In the context of our review of the scheme's **operation**, many users of S&V3 find the application process burdensome, with particular criticism of the time it takes for decisions, uncertainty around whether decisions are wholly consistent and the amount and substance of feedback available to unsuccessful applicants.
- The persistent awarding of lesser amounts than requested, based on perceived micro-management of budgets, may tend to oblige applicants to inflate project costs, in an attempt to 'game the system'.
- Community radio stakeholders in particular are concerned that a 'one size fits all' approach to applying even for relatively small amounts makes the system inefficient for smaller operators.
- Many stakeholders call for more rounds per year or even a process of continuous application and review, as well as for the introduction of development funding as a new category for any future scheme. This would reduce turn-around times and limit delays.
- In terms of **effectiveness**, the scheme was broadly seen as meeting its main objectives in promoting the creation of new content addressing Irish culture, heritage, diversity and language. Our data review revealed that the scheme has been fully consistent with the key objectives in this regard and ensured that content was funded (and broadcast) that would have struggled otherwise to be made. This level of effectiveness in achieving outcomes has been critical at a time when other sources of content funding, including from a constrained RTÉ, have been declining.
- There was widespread recognition among stakeholders that the Irish media markets are evolving rapidly, particularly around device penetration (smartphones, smart speakers), network developments (the prospect of 5G mobile broadband) and consumer behaviour (a further shift from broadcast/linear to IP/on demand). These trends are particularly apparent among younger audiences. As a result, the broadcast-centric approach of S&V3 may not be wholly fit for purpose as a foundation for a successor scheme.
- Having accepted that point, we underline that TV and radio continue to be a critical means by which Irish consumers access AV content, and the majority of Irish content funding in the Republic comes from broadcasters. Therefore, and given that a successor scheme would be funded, again, by proceeds from the licence fee (potentially augmented by new funds under a reformed Audiovisual Media Services Directive), it seems appropriate that broadcast continues to be a key route to market for publicly funded programmes.
- S&V3 has been a critical contributor to both wider sectoral and audience **impacts**. For the sector, the impact can be measured in terms of financial contribution, the sustaining of direct and indirect jobs, the promotion of skills and training (particularly for community broadcasting and in the regions) and more qualitative measures such as the promotion of social cohesion and community spirit.
- In the latest year for which full comparable data is available, 2017, S&V3 funds represented around 3% of relevant original Irish content expenditure. This relatively modest share hides a much deeper and material impact on certain sub-sectors – most notably community radio and TV – and on certain genres (e.g., TV documentaries). The impact on Irish-language content outcomes is significant, as it amplifies the investments made by TG4 and to a much lesser extent RTÉ.

- Using work published in 2017 by Olsberg, we have estimated that the total indirect and induced financial impacts arising from S&V3 total €15m a year. Combined with the direct impact of S&V3 average annual funding of €12m, this creates a total economic impact of €27m per year.
- The impact of S&V3 on employment is less transparent due to the high level of volunteering in the community broadcasting sector. However, the total number of jobs associated with S&V3 funding across *non-community* radio and TV is estimated at over 400 (of which 254 are direct TV jobs and 11 direct radio jobs).
- As noted in previous reviews, it is unlikely that all community radio stations could survive without the contribution under S&V. The impacts of these services, over and above the funding of public service content that would not otherwise be made, are widespread at local level, and include a contribution to skills development, greater social and cultural cohesion and promotion of regional diversity.
- Maximising audience share is not an objective of S&V3, and audience outcomes will also be heavily dependent on the channel or station, target audience and time of broadcast.
- In order to assess the potential audience impact of the scheme, we analysed a random sample of 50 TV programmes funded by S&V3, allowing for a representative split of content by genre, format and channel. The outcomes from our sample suggest that the scheme does indeed fund a diverse range of programmes, including those with significant audience appeal as well as those with a more niche target audience.
- A similar picture is to be expected for radio content funded by the scheme, where audience outcomes are likely to have a wide range depending on the genre, format, target audience and the station on which the content is broadcast. There are no programme-by-programme audience figures for radio, and therefore an exercise similar to that conducted for TV programmes has not been possible.

Fit for future purpose

- There was widespread recognition among stakeholders that the Irish media markets are evolving rapidly, particularly around device penetration (smartphones, smart speakers), network developments (the prospect of 5G mobile broadband) and consumer behaviour (a further shift from broadcast/linear to IP/on demand). These trends are particularly apparent among younger audiences.
- We expect linear broadcast TV to decline even further in favour of a range of non-linear activities including online video (e.g., YouTube), catch-up TV, PVR use and, especially, SVOD. There is also scope for more linear services to be delivered over IP rather than via traditional broadcast means such as satellite, cable and digital terrestrial signals. As a result, the broadcast-centric approach of S&V3 may not be wholly fit for purpose as a foundation for a successor scheme.
- Having accepted that point, we underline that TV and radio continue to be a critical means by which Irish consumers access AV content, and the majority of Irish content funding in the Republic comes from broadcasters. Therefore, and given that a successor scheme would be funded, again, by proceeds from the licence fee (potentially augmented by new funds under a reformed AVMS), it seems appropriate that broadcast continues to be a key route to market for publicly funded programmes, even if the trends do suggest the need to consider non-linear, on-demand preferences, particularly among younger demographics, when considering the future of any successor scheme set to replace S&V3.
- A critical change in the context of content funding is the reform of Member States' ability to impose a content levy on online media service providers to pay toward the production of European works. A new fund of this kind might be launched in Ireland and could be administered alongside any new S&V scheme.

Consistency with the BAI's overarching strategic themes

- We also considered the S&V3 scheme against the BAI's five overarching strategic themes, as articulated in the current Strategy Statement. We concluded that the themes of Promoting Diversity and Plurality, Communicating and Influencing, Empowering Audiences and Enhancing Innovation and Sectoral Sustainability were all reflected in the outcomes observed in the course of our review.
- Regarding Achieving Excellence and Accountability, we found that the BAI proactively ensures that the expenditure of public money is accounted for and properly managed, with appropriate corporate governance policies and procedures. While in our view the application process, decision-making and accountability are broadly transparent and fair, some stakeholders whose feedback we sought questioned whether the adjudication of applications was sufficiently clear and transparent and suggested that the BAI could improve this aspect of the application process to ensure greater consistency with its theme of Achieving Excellence and Accountability.

Conclusions and recommendations

- A key ambition in developing our recommendations has been to reduce the administrative burden on the BAI and on applicants without sacrificing the necessary level of oversight and accountability rightly associated with the allocation of public money.

General principles

- At the outset, we recommend that the BAI continue to be the body responsible for administering schemes arising from the Broadcasting Fund; moreover, we assert that the BAI would be best placed to administer (or at the very least co-administer) any new schemes that might be established in the Republic as enabled by the reform of the AVMS Directive (in particular, funding coming from online providers and/or pay TV operators).
- We also support the BAI's ongoing efforts to promote a firmer funding foundation for public service media content creation.

Administration

- The most significant innovations would be to remove community radio and TV from the open rounds, ring-fence funds for the use of community broadcasters and producers and fix, residually, the split between TV and non-community radio projects (for example at 85% and 15% respectively subject to BAI review). The effect of these changes, amplified by the range of recommendations under strategy, below, would be to protect the contribution to community providers, reduce the administrative burden on both the BAI and the applicant pool and slightly re-focus the residual scheme from TV to non-community radio.
- We also recommend that the BAI consider streamlining applications still further, by establishing a shorter and less burdensome process for requests under €10k. This would have an impact on commercial and PSB radio only (i.e., not affecting the higher project value applications for TV).
- The BAI might also wish to consider introducing pre-registration for all applications, permitting them to upload certain documents (insurance, articles of incorporation, certificates, tax clearances) just once at the outset of the launch of the successor scheme(s). These measures would permit the BAI to address to a significant degree the burden in the category of smaller (largely radio) productions, where the costs per award can be greater than the funds allocated.
- We also recommend the introduction of a more formal points system to inform evaluation of applications; and an undertaking to provide to unsuccessful applicants their overall score and additional commentary as feedback. Such a system does not need to be overly prescriptive but has been found to be a useful source

of discipline for assessors of other schemes internationally and would go some distance in reassuring applicants. Furthermore, the provision of more feedback from assessors and BAI staff should give applicants greater clarity on the reasons their applications were not successful and how they might improve their future applications to ensure consistency with the BAI's requirements. Note that the points awarded do not need to be revealed except to applicants and staff.

Strategy

- While we concede that the BAI may wish to maintain the ability to establish a specific focus for a given round, we broadly favour 'open' rounds to encourage the market to generate fresh and innovative ideas across the whole of the audio-visual spectrum.
- However, the BAI should be able to foment certain outcomes by introducing a focus in a given round. Examples might include: encouraging greater cultural and ethnic diversity (in front of and behind the microphone or camera) or (in line with the Government's recent decisions on climate change) ensuring that S&V funding awards reflect the significance of the environmental challenges (both in terms of the programmes funded and the policies in place at independent production companies supplying content).
- The BAI may wish to provide further, foundational requirements or incentives for applicants under a successor scheme. Two examples are: an ongoing recognition of commitment to sensitivity on climate change; and an explicit requirement to establish and track the contribution of a given funded programme to skills development and training (in line with the approach currently applied in the case of community radio and TV funding and consistent with the BAI's Strategy Statement).
- We propose that a successor scheme move to the rhythm of three rounds every year. This strikes a balance between, on the one hand, timeliness of decision making, shorter lead times and closer matching of programmes to evolving consumer tastes; and, on the other hand, the administrative burdens placed on the BAI and its assessors.
- The BAI may also wish to consider changes to the Ancillary Measures, which may be re-positioned usefully in light of changes in the marketplace. For example, are there third-party funders that might become partners around contemporary issues such as adult/media literacy and global challenges including climate change?
- Based on the views of a number of stakeholders, we have also detected a need for greater co-operation between the multiple providers of content funding. For example, high-cost drama may be best served through a more formal joint approach between the BAI and Screen Ireland (augmented by recourse of content producers to the tax credits under s481). Such a collaboration might involve jointly operating elements of a new scheme enabled by AVMS-sanctioned changes.
- The BAI may wish to permit producers to apply for development funds under a successor scheme to S&V3. While not central to such a scheme's mandate and ambit, providing (limited) development funds might improve the quality of later full-scale submissions and provide an important further means of ensuring innovative content ideas are generated.
- To take into account future market developments, we recommend that the BAI consider permitting successful applicants in a successor scheme to distribute resultant content/programmes on digital platforms in advance of being broadcast ('digital first' as opposed to 'digital only').
 - This might take the form of permitting radio broadcasters to distribute segments of a documentary in the form of a series of podcasts (distributed online) before or coincident with their broadcast on a radio station. This would serve to augment audiences, permit cross promotion between broadcast

and on-demand platforms and potentially secure an additional revenue stream (e.g., through advertising around a podcast).

- The same freedom to distribute online would be available to TV as well (for example, a pre-transmission distribution via a TV player such as RTÉ Player or as an on-demand programme on Virgin Media before appearing as a broadcast). There may be scope to focus attention for these ‘digital first’ opportunities on certain genres and formats, including animation, children’s content generally and short-form content in multiple genres, reflecting the tastes and behaviours of younger audiences in particular.
 - We do not see a digital-only distribution route to market being consistent with S&V and its successors; however, the prospect of a new content funding levy arising in time from the reform of AVMS might be suitable means of promoting the creation of content destined uniquely for online rather than broadcast distribution.
- Assuming that digital-first content is accommodated, we conclude that a successor scheme of five years’ duration, with digital-first flexibility but with a broadcast backstop, would remain fit for purpose throughout the relevant period. The BAI might wish to use the next three-year review to confirm that this conclusion remains valid, although given the time it takes to make fundamental changes, we do not recommend reducing the life of the successor scheme to shorter than five years.
 - Finally, we have detected a concern among some stakeholders around the lack of co-ordination between broadcasters and producers in the context of applying for S&V3, and the degree to which enough work is done prior to application to dovetail the interests of broadcasters and producers. In earlier reviews, the BAI has been advised to create a more formal arrangement involving broadcasters, producers and others. We do not think such a body is required. However, a series of regular workshops sponsored by the BAI (and attended by the key commissioners and a range of producers) might be a useful forum to address two objectives: to communicate evolving views at the BAI around the focus of particular rounds; and to provide a means of enabling regular, informed contact between broadcasters and producers.

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1. Introduction to this review

Background and scope

- 1.1 Mediatique was asked by the Broadcasting Authority of Ireland ('the BAI') to assist them in fulfilling their statutory obligation to review the operation, impact and effectiveness of the Sound & Vision 3 ('S&V3') Broadcasting Funding Scheme.
- 1.2 This review is structured to address two key factors:
 - How the scheme operates and performs against its stated objectives (and those of the BAI as laid out in its Statement of Strategy)²: specifically, we were asked to provide "key data, insight and commentary" on S&V3, and in particular its performance against objectives, the effectiveness and efficiency of its operations, its impact on the value chain and on production and availability of (in particular) Irish-language content and its role and impact within the current media landscape; and
 - How robust the scheme and its successors are likely to be, now and in the future, given any anticipated changes in the broadcasting landscape over the next 5-10 years.
- 1.3 Therefore, a key aim of the report is to provide a comprehensive basis for informing the BAI on developing a revised scheme(s) from 2020. In this context, we were asked to consider the impact of any scheme that may operate adjacent to a new scheme or schemes (e.g., funds sourced from new content levies or other funding sources), and which may therefore have an impact on the role, structure and objectives of a revised S&V scheme.

Brief overview of the scheme

- 1.4 Established under sections 154 and 155 of the 2009 Broadcasting Act, S&V3 operates to fulfil stated objectives under eight headings: 1) quality; 2) promotion of the Irish language; 3) additionality (increasing the amount of relevant programming); 4) diversity; 5) heritage; 6) local and community broadcasting; 7) adult literacy or media literacy; and 8) addressing global issues that have an impact on the State.
- 1.5 The core objective of S&V3 is to "increase public access at national, local and community level to high-quality television and sound broadcasting programmes in English and Irish which explore the themes of Irish culture, heritage and experience, in contemporary or historic contexts."
- 1.6 The scheme is subject to European Union rules on state aid and the BAI is required to meet certain prescriptive undertakings under statute. Beyond this, the BAI has considerable operational and procedural flexibility to make changes where necessary and consistent with its values, objectives and role.³
- 1.7 S&V3 is financed through the Broadcast Fund,⁴ which receives a proportion of the net receipts of the Television Licence Fee; the scheme is underpinned by legislation requiring the BAI to undertake a review every three years.

² The BAI's aims and missions fall under five key themes: *Promoting Plurality & Diversity; Achieving Excellence & Accountability; Communicating & Influencing; Empowering Audiences; and, Enhancing Innovation & Sectoral Sustainability*. More generally, the BAI undertakes to be fair (in its processes, procedures and decisions); independent (operating as an impartial regulator); expert (by informing itself through engagement, research and a commitment to professional learning); and accountable (in its decisions, governance and resources).

³ This includes, for example, electing to focus on particular genres or broadcast categories in a specific round of funding.

⁴ The Broadcast Fund also funds the Archiving Scheme. The Fund receives 7% of the net receipts of the TV Licence Fee.

Methodology and data

1.8 To address the requirements of the review, we adopted five key research techniques:

Review of internal BAI data

1.9 Using detailed information available from the BAI, we developed our own databank covering applications, reviews and decisions for S&V3 to date (all applications since 2015 and up to Round 32, completed in March 2019). This included information on the source, format, genre of applicants, success rates, funding amounts and structures. We also cross-referenced viewing data for a sample of successful TV applications.

Secondary research

1.10 We reviewed the market dynamics analysis (and forecasts) developed for the BAI as part of its Broadcasting Services Strategy ('BSS'), which laid out likely future trends in the regard to audio-visual business models and consumer behaviour.⁵ We also reviewed overall market information from sources including TAM Ireland, JNLR, BAI and ComReg.

1.11 We undertook further secondary research on the operation of similar schemes internationally, and on financial impacts of S&V3 on the wider Irish economy.

- For the international benchmarks, we considered available data on public funding schemes in the UK (e.g., for children's content), New Zealand, Canada and other selected markets.⁶
- For the financial impact analysis, we reviewed data on investment, employment and the generation of value through identified multiplier effects arising from S&V3 expenditure, and included a review of the analysis provided in Appendix 2 of the 2013 review of S&V⁷ and the analysis of media sector impacts sponsored by Government in 2017.⁸ We also considered data provided publicly by RTÉ, TG4 and Virgin Media Television as well as from the Audiovisual Federation, CRAOL and other third-party sources.

Bespoke consumer research

1.12 We commissioned a consumer survey from Ipsos MRBI which undertook telephone interviews with a sample of 1,000 adults in the Republic of Ireland in March 2019. These questions informed our views on awareness of the scheme and the impact of S&V3 among the Irish public.

Online survey of independent producers

1.13 We designed and administered an online survey of 279 content producers in Ireland, targeting both those who have successfully bid for funding under S&V3 and those who have not. This included questions in English and Irish, and gauged views on the operation and objectives of the fund.

Stakeholder interviews

1.14 We conducted a range of confidential interviews with representatives of 25 companies, organisations and agencies from across the value chain, including BAI internal staff, scheme assessors, independent producers, sponsor broadcasters, industry groups, other scheme administrators and government officials. These in-depth interviews allowed us to ascertain a more nuanced assessment of the operations, impact and effectiveness of the scheme.

⁵ BAI, *Broadcasting Services Strategy*, October 2018.

⁶ The precise nature of public policy interventions in other countries are necessarily characterised by differences in the respective broadcasting markets (in terms of size, revenues, language, 'porosity', number of independent production companies, regulation) which made a straight comparison difficult. See Appendix 3 for a summary of the programmes reviewed.

⁷ Crowe Horwath, *Final Report to the Broadcasting Authority of Ireland in respect of a Statutory Review of the Sound and Vision II Scheme*, 10 July 2013.

⁸ *Economic Analysis of the Audiovisual Sector in the Republic of Ireland: A Report from Olsberg/SPI with Nordicity*, Dec 2017.

2. Overview of the scheme since 2015

History of the scheme

- 2.1. S&V3 has been in operation since 2015, and in that time 10 funding rounds (numbering 23 through 32) have been completed, amounting to a total of €56m⁹ allocated to around 1,200 projects (293 TV and the rest radio). By funding level, TV represented 89% of funds expended, to radio's 11%. In addition to the open rounds, 10 projects have been awarded funding as part of the Ancillary Measures included in the scheme.¹⁰ S&V3 has thus allocated roughly €12m a year since 2015.¹¹
- 2.2. The scheme has been critically important to community radio, allocating just over €2m to such groups since 2015. For PSB and commercial radio, the contribution has been around €3.6m. Given that a significant proportion of original content expenditure by commercial radio companies is in News and Current Affairs (for which S&V3 funds cannot be awarded¹²), the key audio genre supported has been documentaries (accounting for 82% of successful awards for commercial radio).
- 2.3. TV projects have been by far the largest recipients of S&V3 funds, at around €50m over the scheme's 10 rounds to date. Documentaries make up around half of all successful awards, following by drama (at just over 20% and Entertainment at 12%).

Scheme criteria

- 2.4. The scheme is aimed at supporting new TV and radio content in the specified formats and genres and fulfilling key objectives around the creation and dissemination of content that reflects Irish culture, history, language and diversity. The scheme is not required to earn a return as it has a public value objective.¹³
- 2.5. According to the scheme's criteria, the resultant production must have a Broadcast Partner (deemed as being available on a free-to-air basis to at least 90% of the population) and be broadcast in peak hours (variously defined for TV and radio).¹⁴ The total award from S&V3 cannot exceed 95% of the project's total budget, and there are spending requirements related to the territory in which funds are expended (to render the scheme compliant with state aid rules at European level).¹⁵
- 2.6. The project must be ready for production but not yet in production and must be within relevant 'formats' (documentaries, education, animation, drama, entertainment) and 'genres' (children's, arts/culture, contemporary society, history/heritage, science/nature/environment and adult/media literacy).
- 2.7. Nearly all rounds in S&V3 have been open to radio and TV and with no explicit focus; an exception is Round 33, in which is set out a focus on the telling of women's narratives. The BAI, within the overall objectives of the scheme, has the flexibility to change the nature and focus of individual rounds.

⁹ Following a number of (largely small) adjustments subsequent to the award, the actual amount allocated under S&V3 to date amounts to €54.8m. For details, see Review of scheme outcomes, below.

¹⁰ We analyse Ancillary Measures in greater depth later in this section. All data in this section is exclusive of Ancillary Measures unless otherwise specified.

¹¹ This represents c3% of relevant original content expenditure in Ireland, as we discuss in detail in section 4: Scheme effectiveness. The annualised figure is based on the full years of 2015-2018 and excludes year-to-date 2019.

¹² See section below on scheme criteria.

¹³ Technically, there is a 'recoupment' clause permitting the BAI to re-coup up to its original investment in the event that a programme does turn a profit. In practice, this has not been the case (unsurprisingly, given the vast majority of content funded does not have a secondary market value).

¹⁴ The peak requirement does not apply to children's, educational or Irish-language content.

¹⁵ If the project is funded at less than 50% by S&V3, an amount equivalent to 160% of the funds awarded must be expended in the Republic; more than 50%, then 80% of the production budget must be expended in Ireland.

Review of scheme outcomes

2.8. Since June 2015, the scheme has received 2,433 applications for funding.¹⁶

- Of these, 939 were for TV funding, representing a total of €201.5m requested in funding on projects budgeted at €734m; 293 of these applications were successful, and were awarded a total of just over €50m.
- The remaining 1,494 radio applications requested an additional €11.9m in funding on projects budgeted at a total of €13.6m; 907 of these applications were successful and were awarded a total of nearly €5.9m.
- Post the determination of awards, changes were agreed to either funding awarded, number of hours funded or both (as shown under the adjustments in Figure 1).¹⁷

Figure 1: S&V3 summary overview (2015 - 2019 to date)¹⁸

TV	2015		2016			2017		2018		2019
	23	24	25	26	27	28	29	30	31	32
Total applications	119	96	108	103	87	90	81	87	84	84
Funding requested	€27.84m	€22.09m	€24.75m	€19.97m	€18.44m	€19.38m	€18.23m	€15.7m	€16.46m	€18.64m
Successful projects	24	26	27	34	30	31	32	33	27	29
Funding recommended	€4.39m	€4.74m	€4.8m	€5.22m	€5.02m	€5.02m	€5.15m	€5.37m	€5.25m	€5.11m
Adjusted funding post-award	€4.3m	€4.73m	€4.62m	€5m	€4.76m	€4.85m	€5.05m	€5.36m	€5.25m	€5.11m
Average award	€183k	€182k	€178k	€154k	€167k	€162k	€161k	€163k	€194k	€176k
Adjusted average award	€179k	€182k	€171k	€147k	€159k	€157k	€158k	€162k	€194k	€176k
Total hours awarded funds	55	105	61	81	100	69	101	63	94	70
Total hours funded	53	105	60	74	91	64	75	61	92	70

Radio	2015		2016			2017		2018		2019
	23	24	25	26	27	28	29	30	31	32
Total applications	191	181	133	154	143	128	139	144	143	138
Funding requested	€1.67m	€1.47m	€1.01m	€1.21m	€0.96m	€0.88m	€1.22m	€1.2m	€1.07m	€1.24m
Successful projects	99	88	72	90	96	88	88	93	103	90

¹⁶ This excludes the Ancillary Measures which are analysed in detail below. Note that some projects are still in production or post-production and so have not necessarily been broadcast.

¹⁷ Small variations in contract terms are agreed by BAI staff with applicants and notified to the Authority. Material changes are subject to review and approval by the Authority.

¹⁸ All figures in this report where sources are not indicated have been derived from Mediatique’s analysis based on the BAIonline data for S&V3, 2015-2019 to date. For all analyses reflecting applications versus awards, we have used unadjusted application and award data. For all ratios related to investment versus hours of content produced (e.g., by genre and round) we have based these on adjusted (actual) figures as explained in paragraphs 2.9 and 2.10. Figures presented for each year reflect the year in which the award was announced.

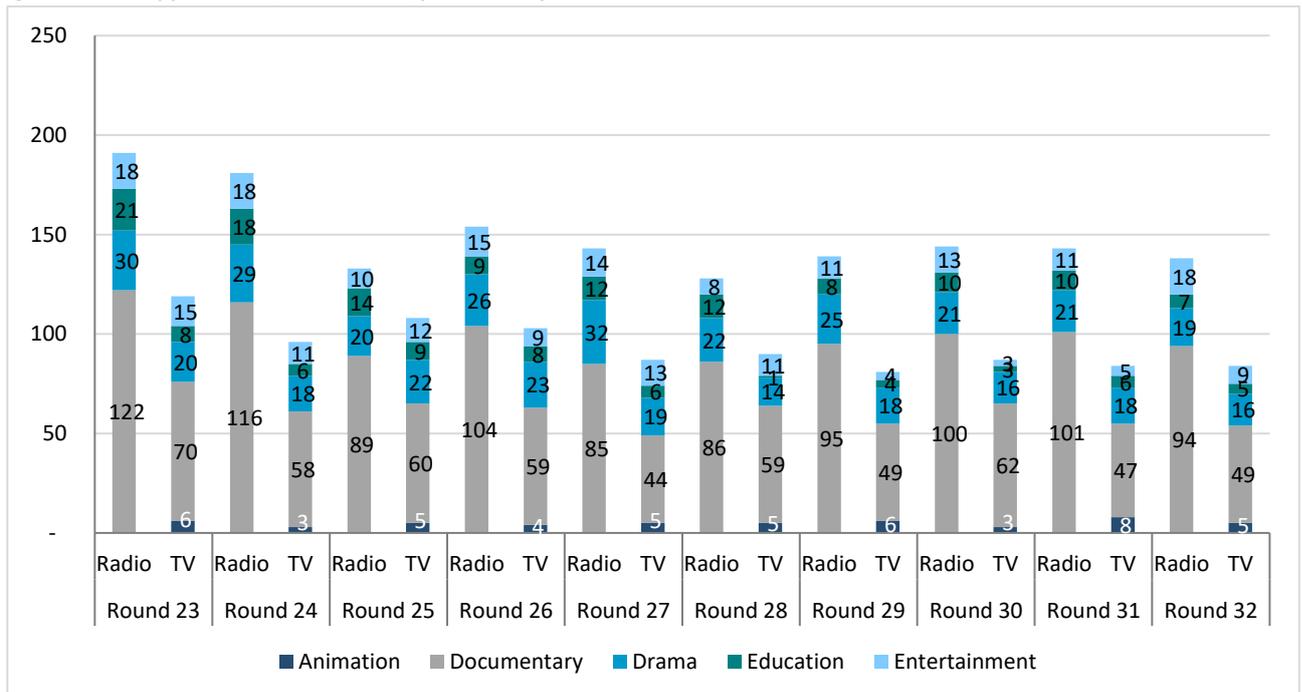
Funding recommended	€724k	€465k	€444k	€615k	€550k	€480k	€625k	€622k	€724k	€633k
Adjusted funding post-award	€713k	€448k	€444k	€553k	€548k	€463k	€606k	€617k	€723k	€633k
Average award	€7,309	€5,288	€6,173	€6,836	€5,732	€5,455	€7,105	€6,692	€7,026	€7,033
Adjusted average award	€7,198	€5,094	€6,164	€6,141	€5,714	€5,265	€6,891	€6,630	€7,018	€7,033
Total hours awarded funds	228	153	179	172	202	185	179	193	242	211
Total hours funded	222	149	179	160	202	180	172	192	242	211

- 2.9. Changes to either funding, the number of programmes funded or both were made to a total of 113 projects, out of 1,200 successful projects. These changes reflected a range of events (projects withdrawn by applicants, budget lines corrected, shortfall in other funding – e.g., tax credits – made up by S&V, etc.), with some of these alterations also leading to a change in the number of hours funded. In the aggregate, these variations amounted to a reduction of c€1.2m in total funding, which is available to be reallocated in subsequent funding rounds. Adjusted figures for funds allocated in each round are provided in Figure 1.
- 2.10. Similarly, some changes (usually modest) have been made in 19 further cases to the number of hours funded following post-award adjustments but where funding remained the same. The reasons for these changes included editorial requirements – as per the grantee – and a reduction in the number of programmes in a series in line with lower funding from third-party sources. Adjusted figures for hours of programming in each round are provided in Figure 1.¹⁹
- 2.11. With an annual budget of roughly €12m, S&V3 has a funding requested to funding allocated ratio of 4:1. Despite such over-subscription, success rates for applications are high: 31% for TV and 61% for radio.
- 2.12. Within the pool of total applications, not all formats are represented equally. Documentaries outnumber all other formats put together, averaging roughly 64% of the total in each round. This has been maintained even as the total number of applications per round has decreased year-on-year, from the scheme high level of 310 in Round 23.²⁰ After documentaries, the next most popular formats are drama and entertainment, with education and animation garnering the fewest projects in each round.

¹⁹ For example, series 4 of *Red Rock* was reduced from 30x44 minutes to 2x45 minutes when its sponsoring broadcaster, TV3, now Virgin Media One, withdrew the original level of funding. Following further external assessment, and having regard to the scheme’s objectives, the strategic assessment criteria, the value for money and the programme’s role in promoting training, the BAI agreed to contribute €300k toward production of the two episodes based on the revised budget.

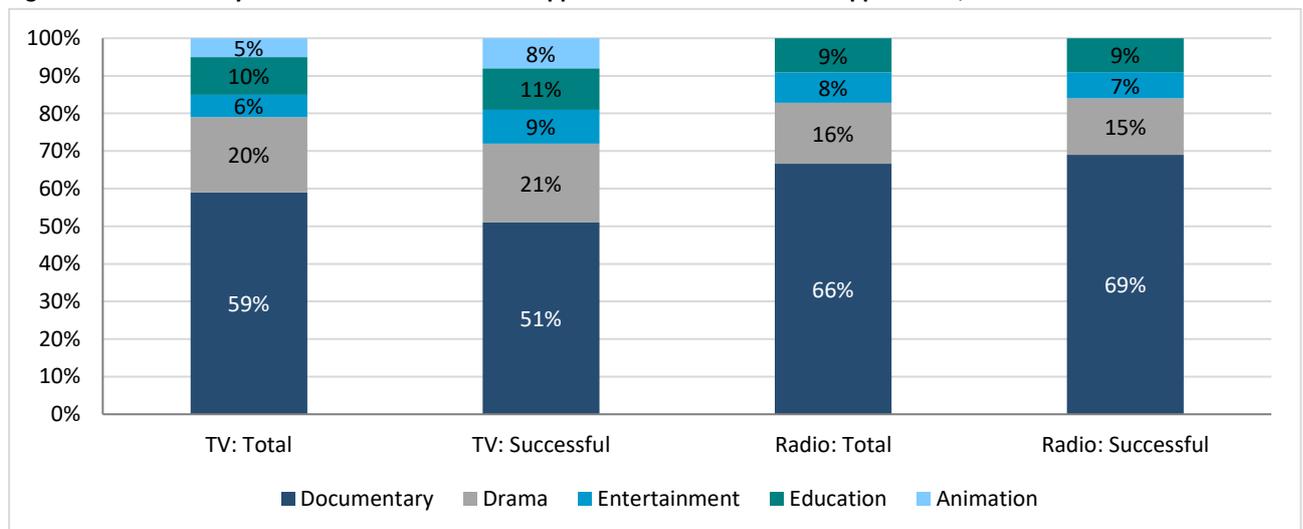
²⁰ The 310 applications in round 23 constituted an exceptional volume, driven by a record number of TV applications. The BAI reported that there were a number of reasons for this. There was a backlog of applications ready for submission owing to the length of time between open rounds; this round marked the first for which the rules regarding the need for a Broadcast Letter upfront for drama, education and animation were relaxed; round 23 was the last to be conducted prior to the commemorations of the 1916 uprising, to which a number of projects were dedicated; and new broadcasters – e.g., UTV Ireland – had launched and were eligible to be broadcasters for S&V-funded programmes.

Figure 2: Total applications (TV and radio) per round by format, Rounds 23 – 32



2.13. When looking at the pool of successful applications, these format ratios are strongly mirrored, although TV animation indexes slightly higher, possibly as a result of fewer applications having been received per round at the outset.

Figure 3: Breakdown by format in TV and radio total applications versus successful applications, Rounds 23 - 32



2.14. Overall, average success rates per format across TV and radio are: 46% for animation, 50% for documentaries, 46% for drama, 49% for education and 51% for entertainment. Success rates per language category are likewise similar: 51% for English content, 45% for Irish content, and 40% for bilingual content.

2.15. There are format differences between TV and radio, not least because of the absence of animation in radio projects. Documentaries represent a larger percentage of successful applications in radio than in TV. This appears to be at the expense of drama projects which make up 15% of successful radio applications versus 21% of successful TV applications.

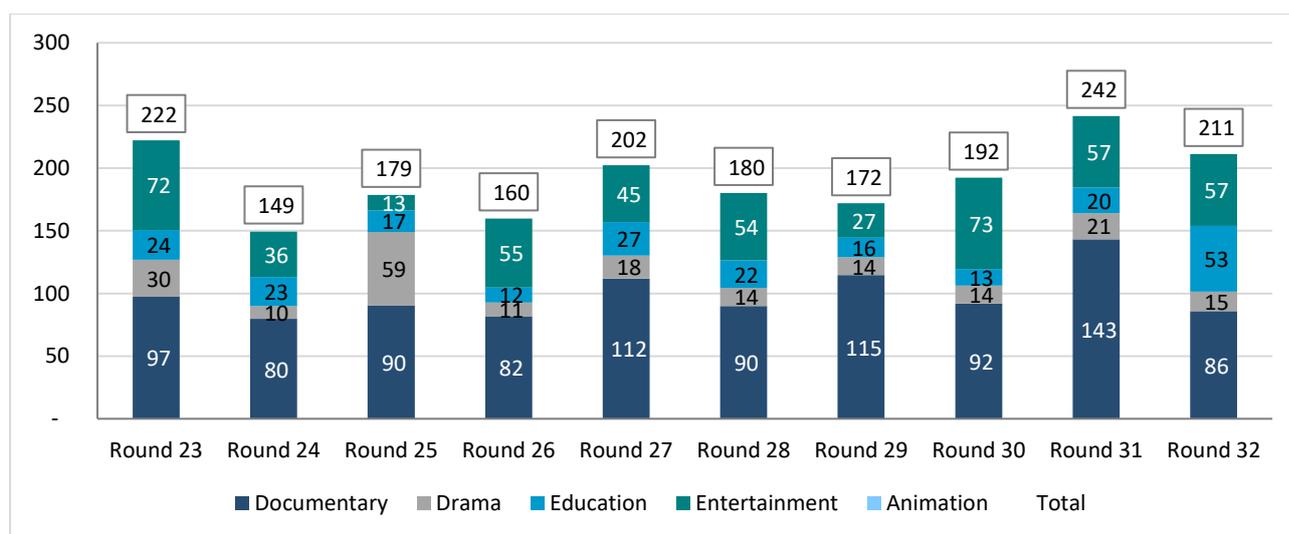
2.16. There is remarkable consistency between the genre split of total applications and successful applications, demonstrating that the BAI appears to be responding consistently to market signalling from the applicant pool.

- **Adult/Media Literacy:** 1.5% of total applications, 1% of successful applications
- **Arts & Culture:** 20% of total applications, 20% of successful applications
- **Children’s:** 7% of total applications, 8% of successful applications
- **Contemporary Society:** 33% of total applications, 31% of successful applications
- **History & Heritage:** 33% of total applications, 34% of successful applications
- **Science, Nature & Environment:** 6% of total applications, 6% of successful applications

2.17. These proportions do not always apply within each format equally. Some formats skew more heavily towards certain genres; the starkest example is in animation where 82% of the content is categorised as children’s. Conversely, 47% of adult/media literacy falls under the education format.

2.18. Since 2015, the scheme has awarded €56m to producers, helping to fund 2,742 hours of Irish content broadcast across TV and radio. Following post-award adjustments as detailed above, the total actual funding was €55m and the number of hours was 2,654.²¹ The majority of the hours funded in a given round are radio hours, where documentaries and entertainment are the two biggest categories.

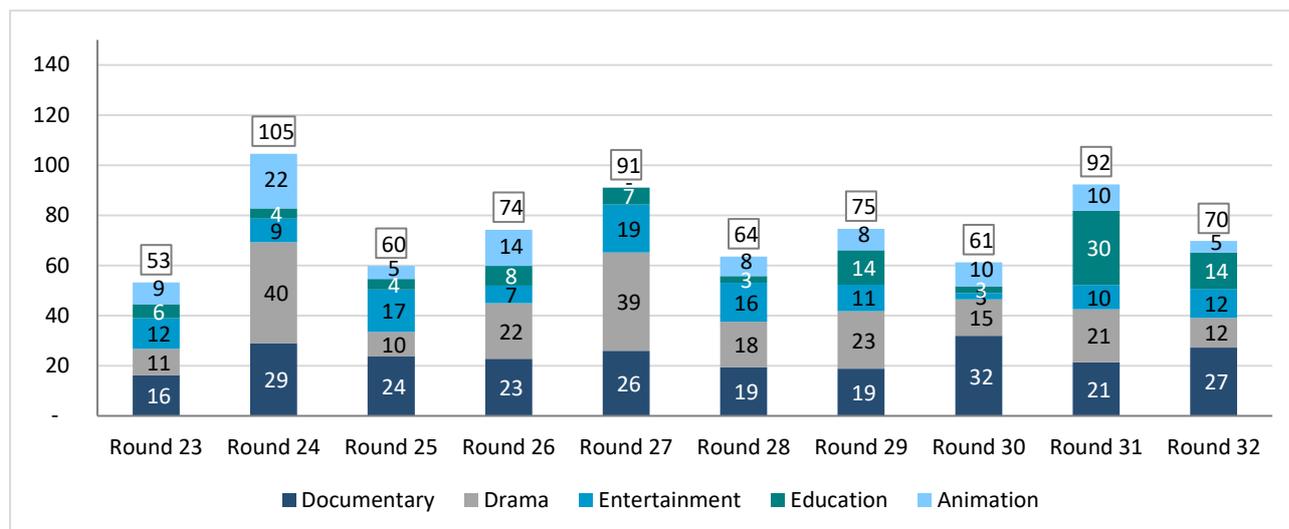
Figure 4: Total radio hours supported by S&V3 by format, Rounds 23 - 32



2.19. In TV, documentary is also the largest category by hours for successful awards, averaging 24 hours per round. There is less consistency in the other categories which can vary between rounds; for example, the spikes in drama hours in Rounds 24 and 27 are for *Red Rock Series 2* and 3, which each ran at 30 hours.

²¹ In the paragraphs that follow, all data is adjusted for post-award outcomes to ensure they reflect actual impacts of investment and hours.

Figure 5: Total TV hours supported by S&V3 by format, Rounds 23 - 32



2.20. Whilst radio represents the majority of hours funded by the scheme (roughly 70% per round), it accounts for roughly 10% of the funding awarded. This is unsurprising due to the relatively lower cost per hour of radio production compared to TV production.

2.21. In awarded projects, funded costs per hour vary to a degree across radio formats: €6,950 for drama, €4,004 for documentaries, €3,035 for entertainment and €2,915 for education. There is a similar range in costs per hour among TV formats: €104k for drama, €83k for animation, €82k for documentaries, €65k for education and €56k for entertainment.

2.22. There is also a wide range in per-hour funding awarded by the scheme to projects, depending on medium, genre, duration (longer-form versus shorter-form), intensity of resources required to produce, talent costs and production staff. Across S&V3, programmes have been funded from €55 per hour to €400k per hour.²²

2.23. Because of these differences, total funding amounts for radio versus TV diverge strongly.

Figure 6: TV and radio spend by format by year

		2015	2016 ²³	2017	2018	2019 ²⁴
Documentary	TV	€2.7m	€5.5m	€3.2m	€4.7m	€2.6m
	Radio	€541k	€892k	€570k	€740k	€324k
	Total	€3.2m	€6.5m	€3.6m	€5.4m	€2.9m
Drama	TV	€3.3m	€4.7m	€2.9m	€3.6m	€975k
	Radio	€252k	€237k	€179k	€201k	€79k
	Total	€3.5m	€5m	€3.1m	€3.8m	€1.1m
Education	TV	€699k	€1.2m	€840k	€1.1m	€440k
	Radio	€127k	€139k	€68k	€110k	€79k
	Total	€827k	€1.3m	€908k	€1.2m	€519k
Entertainment	TV	€1.2m	€2.1m	€1.4m	€375k	€732k
	Radio	€241k	€278k	€253k	€288k	€151k
	Total	€1.5m	€2.4m	€1.7m	€666k	€883k
Animation	TV only	€1.15m	€795k	€1.7m	€820k	€370k

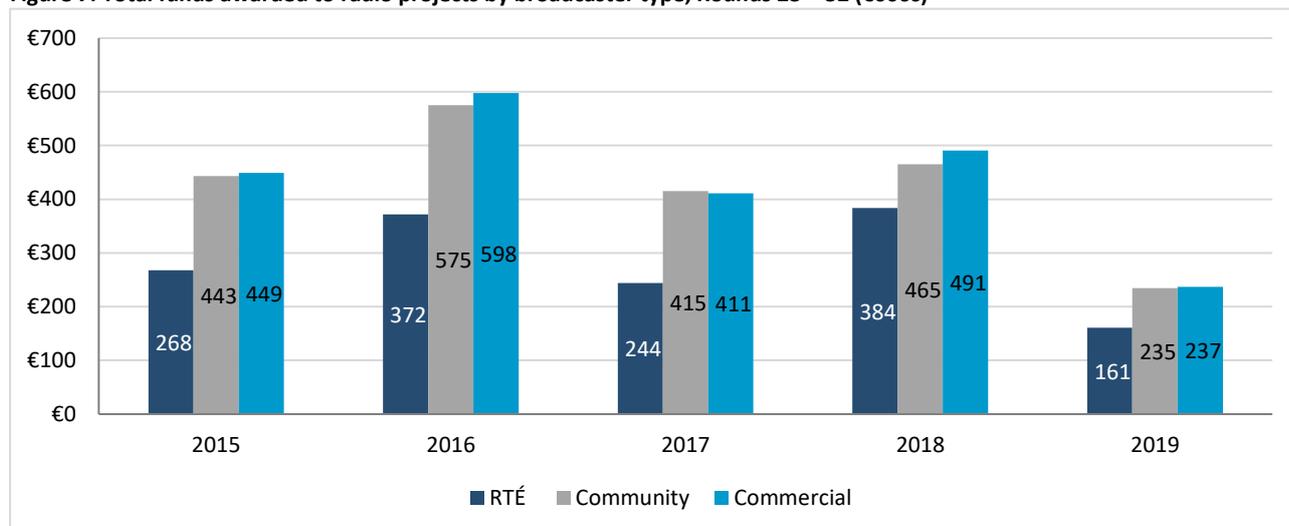
²² The former was a radio project comprising 49 hours of content where funding from S&V3 represented 95% of total programme costs. The latter was a half-hour long Children’s TV show where S&V3 funding represented 8% of total programme costs.

²³ Totals for 2016 higher given three rounds where conducted during this year.

²⁴ Data for 2019 are from round 32 only as round 33 is still open at time of writing.

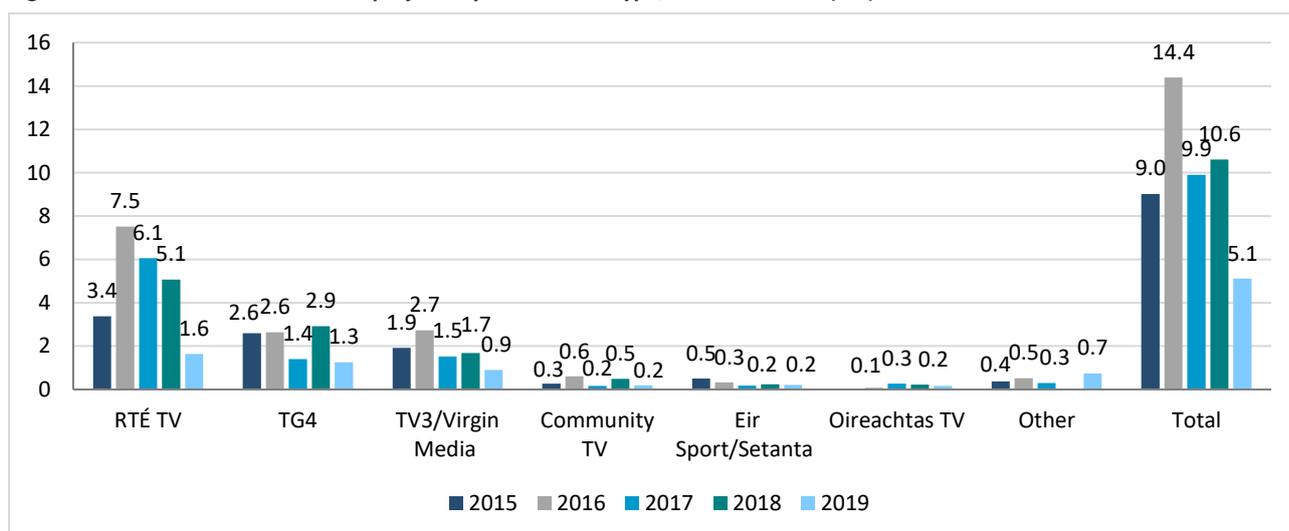
2.24. For radio, commercial and community recipients have received significantly more between them than have projects broadcast via RTÉ, as shown below.

Figure 7: Total funds awarded to radio projects by broadcaster type, Rounds 23 – 32 (€000s)



2.25. RTÉ, TG4 and TV3/Virgin Media are the primary broadcast partners (unsurprisingly) for TV projects.

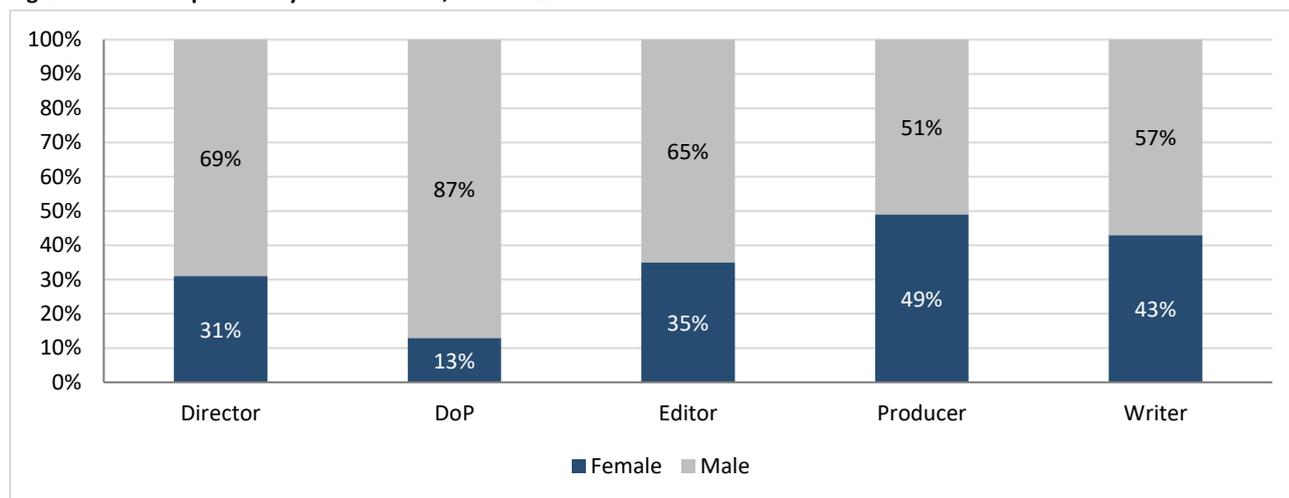
Figure 8: Total funds awarded to TV projects by broadcaster type, Rounds 23 – 32 (€m)



2.26. In Round 30, the gender of key production staff began to be tracked.²⁵ In the most recent round, 49% and 43% of producers and writers respectively were female, as were 39 of the 124 directors. The results reflect a strong female presence at senior level in the applications submitted to the scheme. The category requiring the most uplift is director of photography, which currently stands at 13% female-led. However, the data for this category is sourced from only 68 applications (against an average of 158 applications for the other categories). As applicants in further rounds continue to provide this data, the dataset will become more robust and therefore indicative of wider trends.

²⁵ Not all roles are applicable for every project (for example, a director of photography will not be required for any of the radio projects), so applicants are not required to fill in all of these lines.

Figure 9: Gender split for key creative team, Round 32



Ancillary measures

2.27. Derived from the provision in section 154 (1)(f) of the Broadcasting Act 2009, the BAI can implement “such Ancillary Measures as it deems appropriate to support the achievement of the objectives of this scheme. This could allow, but is not limited to, measures to assist community broadcasters to meet their social benefit obligations and/or the provision of some development support for programmes to address themes, genres or formats underrepresented in the general applications received.”²⁶

2.28. Since the start of S&V3, there have been 10 ancillary measure projects²⁷, set out in the table below. Of these, five have been stand-alone projects, while the remaining five have been part of one of two larger initiatives that run within the Ancillary Measures; these are the *BAI-CMF Co-Development Fund* and *Cine 4*.

Figure 10: Ancillary Measures under Sound & Vision 3 scheme

Year	Name	Strand	Funding awarded
2015	Community Education Content Event 2015	Stand-alone	€6,500.00
2015	Eipic Audience Research Project	Stand-alone	€4,500.00
2015	MEDEA Education Project	Stand-alone	€11,000.00
2015	Song of the Sea Butler Gallery Exhibition	Stand-alone	€7,500.00
2016	Drownings	BAI-CMF Round 1	€17,142.00
2017	Cine 4	Cine 4	€100,000.00
2017	Edge	BAI-CMF Round 2	€25,000.00
2017	The Week I Ruined My Life	BAI-CMF Round 2	€23,292.00
2017	Viking Empires	BAI-CMF Round 2	€8,571.00
2018	Breadwinner Exhibit	Stand-alone	€4,000.00
Total funding awarded			€207,505.00
Total funding after post-award adjustment²⁸			€214,582.00

2.29. The BAI-Canada Media Co-Development Fund is an initiative to support Irish and Canadian producers to develop high-quality Irish-Canadian co-productions. Subject to passing both an Irish and Canadian cultural test and with a broadcast guarantee from either country, applications across a broad range of genres (documentary, animation, drama, entertainment and education) are allowed. Both the Canada Media Fund

²⁶ *Sound & Vision 3: A Broadcasting Funding Scheme* (Jan 2015), p. 9.

²⁷ At time of writing, three further projects are in the preliminary stage; these have not been included.

²⁸ This was due to adjustments in grants for *Drownings*, the *Eipic Audience Research Project* and the *MEDEA Education Project* related to underspend in final budgets and to cover shortfalls in project spending.

and the BAI allocated €75k in early 2016 and four projects (three dramas and one drama-documentary) have been supported across two rounds. The fund was approved for an additional €70k in 2017; a further two documentary projects are still in the preliminary stage of development. The BAI is not involved in the development phase and is therefore not conflicted in assessing any projects that subsequently apply for S&V3 funding.

- 2.30. Cine 4 is an additional initiative set up in 2017 to support the development of five Irish language feature films each year with the aim of selecting two for production funding. Cine 4 is run in partnership with TG4 and Screen Ireland, which have each committed €200k to the fund, while the BAI has committed €100k. The scheme runs over a four-year window. Mirroring the approach taken with the BAI-CMF fund above, the BAI has no involvement in the development phase and is therefore not conflicted regarding S&V3 applications.
- 2.31. There has been a clear shift in the size, scope and nature of the Ancillary Measures as S&V3 has progressed. The four projects supported in 2015 were small-scale (costing the BAI an average of €7.4k) and all associated with projects being funded by S&V3. Since the end of 2015, there has only been one project (at a cost of €4k) that was funded in this way, as opposed to via the two initiatives.
- 2.32. Beginning with the BAI-CMF fund, the Ancillary Measures have pivoted towards large-scale schemes-within-a-scheme. It is notable that both Cine 4 and the BAI-CMF fund rely on matched funding from one (or more) source, allowing the BAI's contribution to specific projects to stretch.
- 2.33. It is also notable that, as yet, the BAI has only supported one Ancillary Measures project (the Community Education Content Event 2015) proposed by a community broadcaster, even though community broadcasting is highlighted as an example of such measures in the scheme's documentation. It may be the case that applicants are simply not aware of the scheme and therefore have not approached the BAI for such support.²⁹

²⁹ We address this point in further detail in section 8: Key findings and recommendations, below.

3. Scheme operations

3.1. S&V3 is administered by an internal Team at the BAI, made up of a number of senior and junior staff. Seven full-time equivalent staff are assumed to work on the scheme, in line with BAI policy, but employees rotate between departments in line with the “matrix” organisational structure developed at the BAI after the 2008 recession.

The application process

- 3.2. The application process has been streamlined and standardised since the last statutory review in 2013.
- 3.3. Applicants are required to submit their applications via the online site. They must register with BAOnline and upload a completed application form by the round deadline. Each application form must include:
- **Project specification and treatment:** Including a synopsis, approach to production and details of how the project will fulfil the objectives of the scheme (and any additional requirements laid out in published literature if the round is specialised, as with the female-focus Round 33). Community broadcasters (across TV and radio) must also specify how the project will adhere to the ethos of community broadcasting.
 - **Budget and budget notes:** A line-by-line breakdown of production costs, day rates and any ineligible costs.
 - **Finance plan and letters of commitment from other funders:** A description of all other funders and the amounts of funding they are providing. Letters of commitment from other funders (excluding when these are broadcasters – see below – or applicants themselves) must confirm their involvement. For TV projects, a territorial spend is also required, confirming that either 160% of the grant aid provided will be spent within the Republic of Ireland (for projects requesting less than 50% of the total budget from S&V3) or 80% of the total production budget will be spent within the island of Ireland (for projects requesting more than 50% of the total budget from S&V3).
 - **Letter of commitment from an eligible broadcaster:** All project applicants must obtain and include a letter from an eligible broadcaster confirming transmission should the programme receive funding. Exceptions are made in cases where the project is a Drama or Animation³⁰ and total funding requests is less than 50% of the total budget. It is expected that a broadcaster will be found no later than three months after funding has been awarded where these projects are successful.
 - **CVs of key personnel and contributors:** Biographies of main crew and any talent/contributors where relevant.
 - **For radio projects, indicative running orders:** Demonstrating overarching design of programme. TV applicants may wish to include these but it is not mandatory.
 - **For dramas, scripts:** Scripts must be for all episodes of the programme and this criterion applies to both TV and radio dramas. Scripts for non-drama programming where there is a significant drama element are also advisable.
 - **For animations:** Animation artwork showing style of programme.
 - **For media literacy projects:** Demonstrate how the proposal meets with the objectives of the BAI’s Media Literacy Policy.

³⁰ The broadcaster letter requirement was brought back in for Education projects in Round 29.

- Applicants must be able to confirm that the project is ready to go into production (but has not already done so), that the project is new and that the project does not fall under the genre of News & Current Affairs.
- 3.4. Funding is awarded in rounds, and the BAI determines the closing time and date, the types of applications that can be submitted and the amount of funding available. Rounds are open for a minimum of four weeks (but on average are open longer).

The assessment process

- 3.5. After the application round is closed, the BAI undertakes a formal assessment process. The assessment process is split into four stages. At each stage, applications not moving forward to the next round are no longer considered.
- **Preliminary evaluation:** Ensuring each application is complete, has been submitted on time, is eligible for funding and all minimum criteria have been met. This stage is carried out by the internal BAI team.
 - **Qualitative evaluation:** Each application is adjudicated by two external assessors separately based on the scheme’s overarching objectives and the assessment criteria. The questions required to be answered by the scheme’s assessors are:
 - Does the proposal further the objectives of the scheme and deal with one of the programme themes described in the scope?
 - Does the proposal clearly demonstrate in terms of content, approach and production processes that the programme(s) will be high quality and does it demonstrate innovation in terms of programming in Ireland?
 - Does the content of the programme add to the range of viewing or listening options for audiences in Ireland?
 - Has the applicant concluded any partnerships, formal or informal, with relevant third parties?
 - Are the resources proposed clearly explained and are they adequate and realistic in the context of the proposed programme(s)? Does the proposal represent value for money?
 - For community broadcasters: Is the proposal consistent with the definition of community broadcasting and will it deliver a social benefit?
 - After each assessor has independently reviewed each of their assigned applications, a Panel Assessment meeting is convened, involving the two external assessors and the BAI internal assessor, to discuss the applications and agree on the applications to recommend, or not, for funding. The decision is recorded, including details of the consideration of scheme criteria, and reviewed and signed off by the assessors and then communicated to each relevant applicant.
 - There is no formal, standardised points system used by the assessors or the internal BAI staff for the qualitative assessment.³¹
 - **Strategic assessment:** In most rounds, the number of applications that pass the qualitative evaluation stage outpaces the amount of funding the BAI can provide. In order to provide funding to the projects that most advance the objectives of the scheme, all qualifying projects are assessed with the aim of “achieving a balance in the overall package of funding.”³² The qualifying applications are thus re-examined with the following criteria in mind:

³¹ The concept of a points system was recommended in the S&V2 review (2013) but not implemented by the BAI; See section 8: Key findings and recommendations, below.

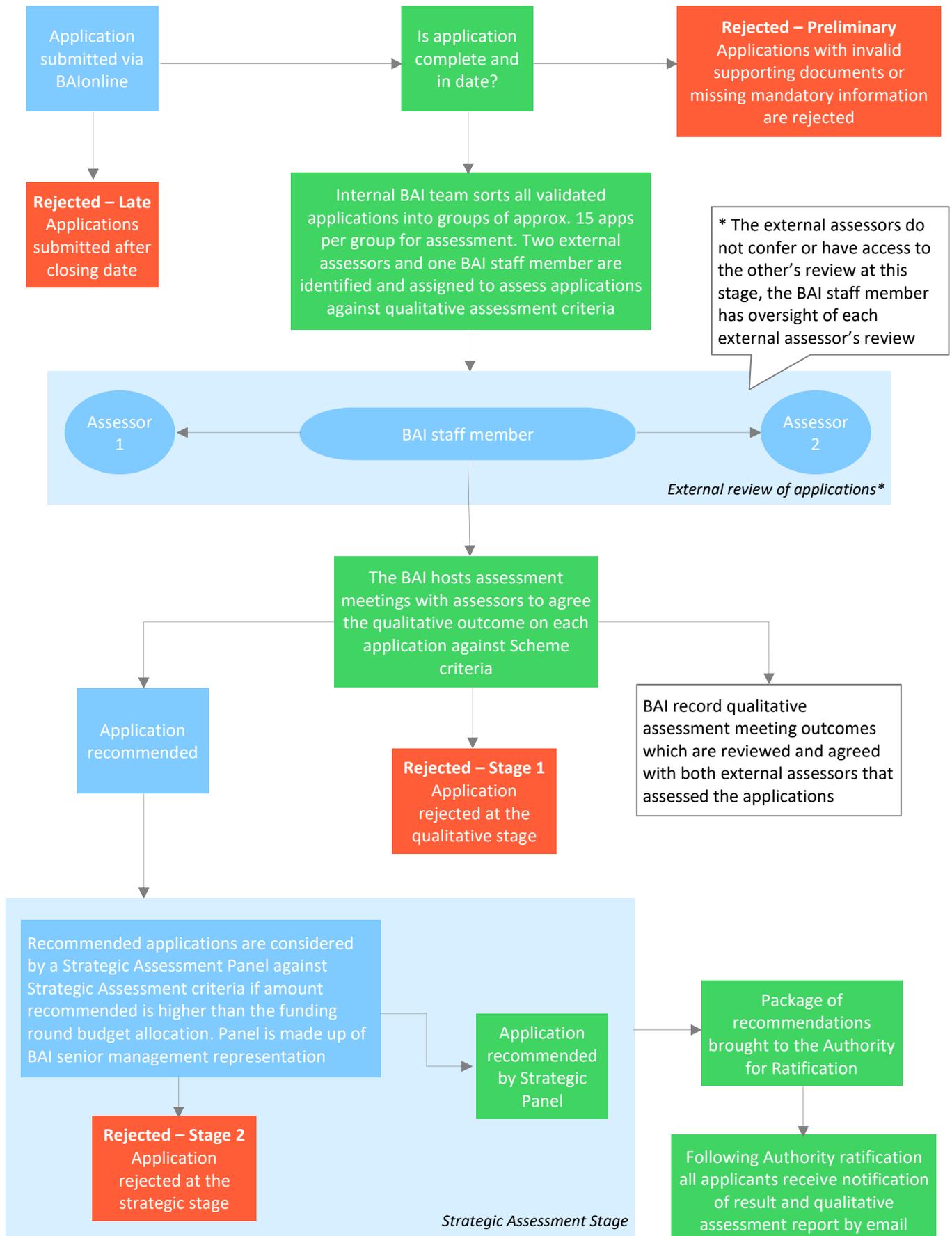
³² *Sound & Vision 3: A Broadcasting Funding Scheme Guide for Applicants* (Mar 2019), p. 25.

- Diversity of audiences served by the programme
- Diversity of content with reference to genres and formats
- Track record of the applicant (if applicable)
- Capacity of the applicant to deliver
- The written recommendations from the qualitative assessment
- Since Round 30, a further criterion has been applied: the extent to which the creative team includes women in a leadership role.

Finally, the strategic assessment must ensure that 20 – 25% of funding is awarded to Irish language projects.

- **Formal ratification:** The recommendations arising from the strategic assessment are presented to the Authority to make the final decisions.
- 3.6. After the formal ratification stage, all applicants are informed on the ultimate status of their applications. Both successful and unsuccessful applicants have access to a feedback sheet which is a record of the discussion and recommendations from the relevant assessment meeting.
- 3.7. A schematic representation of the process is provided overleaf.

Figure 11: Schematic of assessment process for Sound & Vision 3



Role of assessors

- 3.8. The BAI has used external assessors to aid in the assessment of applications since the first iteration of Sound & Vision. Assessors are sourced from across the media landscape based on relevant expertise and experience, having either responded to publicly available job postings on the BAI's social media sites and website, or having been approached by the BAI based on recommendations.
- 3.9. Once confirmed as an assessor, individuals join a pool of roughly 30 assessors who are on hand to review applications. At the start of each round, the pool is contacted to check availability. Of those who are available, they are paired and given 10-15 applications to review. Each pair is given the same applications to review. These are chosen by an internal BAI team on the basis of similarity of content, genre, format, applicant (where applicants have submitted more than one application), and broadcaster.
- 3.10. Assessors are paid per application with the fee ranging from €50-€100. Participation in panel meetings generates an additional payment of €100. Subject to answering the questions above (under qualitative evaluation), assessors have full discretion in deciding whether or not to recommend applications.

The awards process

- 3.11. After both successful and unsuccessful applicants have been informed, the BAI will begin the contracting and compliance stage with all successful applicants. Applicants are required to submit further formal documents to the BAI, including: insurance policies, set off letters from the bank, tax clearance information and any grant details from other funders.
- 3.12. As we have seen, in some cases (around 10% of S&V3 projects), adjustments are made to awards subsequently. Reasons for this include a withdrawal by the applicant of the project, a change in the number of programmes, variation in budget line, corrections, changes to funding requirements following the withdrawal of, or ineligibility for, tax credits, among others. All changes are subject to notification to the Authority; in cases where the changes are material, the review and approval of the Authority is sought.

4. Scheme effectiveness

- 4.1. As a small nation with linguistic and cultural ties to the UK and the US – two of the world’s biggest content producers – Ireland is both a target for English-language channels (which have no commitments to spend money locally) and a large buyer of overseas TV content. This makes its local content economy vulnerable, particularly in relation to genres such as children’s content, specialist factual (arts, cultural programming, education) and indigenous language content, which provide public service but do not necessarily draw large audiences.³³ However, a range of local broadcasters are attuned to local needs and consumer preferences while public funding bodies can support public service value genres or stimulate the market more broadly.
- 4.2. The S&V3 scheme’s effectiveness is judged against the key (statutory) objectives – promoting the creation and wide distribution of Irish content (including in the Irish language), extending the availability of that content (compared to what the market might otherwise achieve); representing the diversity of Irish culture and heritage, developing local/community broadcasting and meeting the BAI’s wider objectives (as communicated through its Statement of Strategy³⁴).

Funding of content

- 4.3. As we saw in section 2, above, the scheme has been heavily subscribed through the period since 2015, with the ratio of funds requested to funds allocated running at around 4:1. Despite this, the success rate for applicants is relatively high – 31% for TV applications and 61% for radio.
- 4.4. The scheme has been highly effective in securing key objectives around additionality, quality and diversity of content; in particular for factual content and programmes in the Irish language. S&V3 has also funded an extensive array of independent producers since 2015; by far the largest category of recipient of funds are independent companies (largely producing for TV), although radio broadcasters make up a larger proportion of total successful applicants for radio projects.³⁵
- 4.5. The scheme’s criteria for genre, format and focus have proven effective in reflecting both the statutory objectives and the appetite in the wider market for certain content. There is broad consistency across the level of applications in each genre and format and the funds awarded, confirming market appetite to apply for funds to develop factual programming in particular, including for projects that are unlikely to be commissioned by broadcasters absent funding from S&V3.
- 4.6. A key aspect of effectiveness is to consider how S&V3-funded content compares to overall funding (commercial and public) in the wider TV and radio sectors in Ireland.

Analysis of the scheme in the context of overall funding of Irish content

- 4.7. S&V exists within a wider ecosystem of both commercial and public funding for content expenditure in the Irish media sector.

³³ In the case of radio, a key impact of global media trends relates to music, and in particular English-language popular music from the UK and the US.

³⁴ We review the conclusions of our analysis, in the context of the Strategy Statement, in section 8: Key Findings and Recommendations.

³⁵ This is unsurprising, given the relatively well-developed market for independent TV production compared to radio, and the fact that radio broadcasters have tended to apply in their own right for funds.

- 4.8. Across TV and radio, public service broadcaster RTÉ remains the biggest content investor in the country. Although pressures on the licence fee over the past decade have had a knock-on effect on both total hours and total spend in TV content from RTÉ, it remains a dominant figure in the Irish media landscape.

Figure 12: RTÉ original TV content spend by genre, 2007 and 2017 (€m)

Genre	2007	2017	CAGR 2007 - 2017
Sport	41.6	35.9	-1.63%
News, Current Affairs and Weather	42.0	34.9	-2.04%
Factual*	37.9	26.7	-3.82%
Drama	39.2	23.7	-5.44%
Entertainment	34.4	22.2	-4.73%
Religious	4.0	2.4	-5.42%
Young People's	15.4	1.9	-20.69%
Music	3.2	1.5	-8.06%
Arts	1.1	1.1	-0.63%
Education	0.2	0.0	
Total original content	€219m	€150.35m	-4.09%

Source: RTÉ Annual Report 2017; *Factual excludes Arts, Education and Religious, which are split out as separate genres in the table.

- 4.9. RTÉ likewise spends heavily on radio content in Ireland; in 2017, RTÉ spent over €59m across its four FM stations (RTÉ Radio 1, RTÉ 2FM, RTÉ Raidió na Gaeltachta, RTÉ Lyric FM)³⁶, equating to almost 90% of the total spend on original radio content each year. Much of RTÉ's radio content is produced in-house.

Figure 13: RTÉ original radio content spend by genre, 2007 and 2017 (€m)

Genre	2007	2017	CAGR 2007 - 2017
News, Current Affairs and Weather	74.4	22.1	-12.60%
Music	15.7	15.5	-0.15%
Entertainment	12.8	9.3	-3.58%
Sport	6.1	5.2	-1.70%
Factual*	5.5	3.8	-3.95%
Arts	3.1	2.1	-3.91%
Drama	1.1	0.6	-6.63%
Religious	0.9	0.2	-12.81%
Young People's	0.6	0.2	-9.90%
Education	0.2	0.0	
Total original content	€120.4m	€59.1m	-7.59%

Source: RTÉ Annual Report 2017; *Factual excludes Arts, Education and Religious, which are split out as separate genres in the table.

- 4.10. TG4 - the Irish language Public Service Broadcaster ('PSB') – had a content budget in 2017 of €24.5m annually; of this, 78% was spent on original commissions. TG4 does not publish a genre breakdown for its expenditure but has announced a commitment to “stronger, more contemporary factual content; sport; and national live music/cultural events”³⁷ as part of its audience growth strategy. As a publisher-broadcaster, the entirety of its original content expenditure is out of house.
- 4.11. Virgin Media Television (now incorporating the former TV3 channels) brings together two budgets that were previously separate and focused on very different content priorities (the free-to-air and pay-TV businesses respectively). The former TV3 had a schedule upheld by acquisitions but had been moving strongly into content origination, and in particular with dramas such as *Red Rock*. In our report the BSS in 2017, we estimated a total annual content spend for Virgin of €55m in 2016, of which €26.4m was spent on original content, €8.8m on Irish sport and the rest on acquisitions. In light of the company's stated intentions, we

³⁶ RTÉ also runs six DAB stations; RTÉ 2XM, RTÉ Chill, RTÉ Gold, RTÉ Junior, RTÉ Pulse and RTÉ Radio 1 Extra.

³⁷ TG4's Annual Report, 2017, p. 24.

assume total spending in 2017 of around €70m. We have assumed that proportions on original, Irish sport and acquisitions remains the same as the previous year and therefore estimate original content expenditure at €34m, Irish sport at €11m and acquisitions at €25m respectively for 2017.³⁸

4.12. Among the remaining pay-TV operators (Sky, Vodafone and Eir), original content expenditure is relatively limited. Sky announced a €2m funding pot to commission new Irish content in late 2017, and since have funded a development deal with Kite Entertainment for local scripted entertainment. We estimate Sky's expenditure on original Irish content to be c€15m, including (Irish) sport.

- Outside of Ireland, Virgin Media and Sky are heavily committed to content, but this has mainly been in the form of sports spending and payments for third-party channels. Taking an estimate of total UK and Irish content expenditure and attributing a proportion of this back to Ireland equal to the percentage of Irish to UK TV subscribers, Sky's spend in Ireland would be c€350m, and Virgin's (including its Virgin Media investments) would be €113m.³⁹
- In the case of Sky, only €15m is assumed to be 'actual' original Irish content – split between Irish sport and other original – with the remainder made up of the read-across of Sky's total content expenditure across the UK and Ireland (non-Irish sport, movies, affiliate payments to third parties and a share of Sky's original content expenditure and programme acquisitions), pro-rated for Ireland's share of Sky's subscribing households in the UK and Ireland.

4.13. In the radio sector, commercial radio stations – of which there are currently 34 – spent over €7m on programming in 2017. Almost half of this was spent by the 23 local stations, with the rest spent across the national/quasi-national stations (Spirit Radio, Today FM, Newstalk), regional stations (iRadio branches, Spin South West and Beat 102 – 103) and Classic Hits 4FM and Radio Nova.

4.14. Community radio stations and the two community TV channels all spend a proportion of their income on content production. However, their contribution to the media landscape is based on the social impact of their output, rather than their commercial viability or absolute audience numbers. Indeed, content production at the community level is often critically reliant on public funding grants or engagement from the community. For this reason, we have assumed there is no major additional content funding stemming from these stations.

4.15. There are no major public funding bodies for radio content in Ireland outside the S&V funds. CRAOL and the IBI provide specific types of support across the sector but do not run dedicated schemes or funding pots purely for content production.

4.16. There are, however, further funds available for TV content production: Screen Ireland (previously Irish Film Board), the Irish Language Broadcast Fund and the section 481 tax credit.

- Screen Ireland is the national development agency for Irish film, TV and animation. It sits under the Department of Culture, Heritage and the Gaeltacht and is responsible for providing funds across the media value chain: for script development, film production, cinema distribution and broader industry support. Total spending by Screen Ireland in 2017 was €12.4m. Having suffered six years of funding cuts from 2008 to 2014, government spending for Screen Ireland has been increasing year-on-year since, with the government announcing a €200m commitment to Screen Ireland over the next ten years in April 2018 as part of the *Project Ireland 2040: Investing in Our Culture, Language and Heritage* scheme.

³⁸ For all these calculations, we have used 2017 as our base year, the last for which the market leader, RTÉ, had provided public figures at the time we were finalising this report.

³⁹ Virgin's affiliate spending includes, for example, payments to Sky to carry Sky's premium and basic channel packages as well as other third-party arrangements.

The additional €2m governmental funding for 2019 takes its capital budget to €16.2m and represents an 11% increase on their 2018 budget.

- The Irish Language Broadcast Fund, administered by Northern Ireland Screen, has an annual funding budget of just under €3m, the majority of which is split between TG4 and BBC Northern Ireland.
- Finally, section 481 of the 1997 Taxes Consolidation is a tax incentive to promote investment in Irish feature films, creative documentaries, television drama and animation. Producers can claim 32% on the lowest of these categories: the production's eligible expenditure⁴⁰, 80% of the total cost of production or €70m. Credits under s481 require each project to pass a cultural test and, recently, a skills development requirement was added to the scheme to encourage productions to consider how each project will upskill cast and crew.

4.17. An overview of total original content spend in Ireland is set out overleaf.

⁴⁰ Defined as “payments made for goods, services and facilities in Ireland by a qualifying company. It also includes the employment of eligible individuals. An eligible individual is anyone employed by the qualifying company on the production of the film”, source: <https://www.revenue.ie/en/companies-and-charities/reliefs-and-exemptions/film-relief/eligible-expenditure.aspx>.

Figure 14: Spend on Irish original content spend by body, 2017 (€m)

Sector	Type	Body	Total content spend	Original content spend
TV	PSBs	RTÉ	€177.3m	€150.4m
		TG4	€24.6m	€19.2m
	Channel and pay TV operators ⁴¹	Virgin	€113m	€45m ⁴²
		Sky	€350m	€15.5m ⁴³
	Other funding bodies	Screen Ireland	€12.4m	€12.4m
		Irish Language Broadcast Fund ⁴⁴	€2.7m	€2.7m
Tax relief	s481 ⁴⁵	€89.5m	€89.5m	
TV Total			€769.2m	€334.7m
Radio	PSB	RTÉ	€59.2m	€59.2m
	Commercial	Commercial stations ⁴⁶	€6.6m	€6.6m
Radio Total			€65.8m	€65.8m
Total			€835m	€400.5m

Source: Mediatique calculations, company annual reports, BAI broadcaster returns

Please note, there are other sources of funding both in TV and radio (e.g., Government agencies in Ireland and at European level, city and county councils, specialist enterprise funds, CCTV, Near TV/Radio collective, Oireachtas TV, community radio broadcasters and religious radio broadcasters Radio Maria Ireland and UCB). Even in the aggregate, these are modest in size. This summary table excludes S&V3 itself.

Implications for S&V3

- 4.18. Using the totals calculated for the table above, the annualised expenditure for S&V3 of €12m represents just 3% of the sum of S&V3 and total (non-S&V3) TV and radio listed for 2017.
- 4.19. It is useful to re-state these figures to render them more directly comparable, taking into account that S&V funds do not apply to news or to sports content. Around €96m across RTÉ, TG4, Sky and Virgin Media in the totals in Figure 10 related to sport and news. If we reduce the total TV and radio (non-S&V3) total accordingly then S&V3 is around 4% of the total.

⁴¹ Data on content spend for Virgin Media and Sky in Ireland is limited. Where no data is available, we have used an estimate of the total UK and Ireland content spend and attributed a proportion of this to Ireland equal to the percentage of subscribers in Ireland out of the total UK and Ireland customer base.

⁴² This figure comes from TV3’s content spend for 2016 as outlined in the BSS Market Review 2017, with an additional €15m added in line with public comments from Virgin. It contains Virgin’s spend on Irish sports. We have assumed that the percentage spent on original content (48%) and Irish sports (16%) have remained consistent since 2016.

⁴³ This is made up of €11.5m spent on Irish sports and €4m on original content, representing recent announcements on upcoming content commitments and previous spending on drama and comedy.

⁴⁴ The figures here represent the fund’s total awards in 2017/18, which is spent across the island of Ireland rather than just in the Republic of Ireland.

⁴⁵ The government is required, under OJEU communication C332/01, to publish a list of companies receiving relief from tax in relation to the production of a qualifying film under section 481. The published report does not specify exact amounts of credit awarded to each company but rather bands (i.e. “<€500k”, “€1m-€2m”, etc). In order to estimate how much s481 credit is awarded in a given year, the midpoints of these bands were found and totalled.

⁴⁶ Includes National, Regional, Local, Multi-City and Commuter Belt radio stations. The data is from the Broadcasting Returns (2017) collected by the BAI from all participating commercial stations. Please note: the data relies on self-reported figures. We have excluded from these numbers the commercial radio allocation under S&V3 in 2017.

- 4.20. The relatively small share represented by S&V3 is misleading in terms of overall impact, however. For example, the funds are critically important to community radio and to Irish-language content generally, and have a particular impact on factual programming, which is the mainstay of S&V3.
- 4.21. One way of viewing this is to compare S&V3 expenditure by genre, compared to the expenditure by genre at RTÉ, the main Irish content provider. In 2017, S&V3 represented around 11% of the combination of RTÉ and S&V3 spending in the key genres of drama, entertainment and factual (for this calculation, we assume that all of RTÉ's spend on religion, arts, music and education count as 'factual'). The ratio is 12% in the case of the factual category on its own. These figures confirm the degree to which S&V3 is effective at generating additionality across multiple genres.

5. Scheme impact

5.1. We have considered the impact of S&V3 in four key areas: financial (in terms of overall revenue generation in TV and radio), employment, impact on community channels and stations, and audience impacts.

Financial impact

5.2. The Government-commissioned survey of the audio-visual sector published in late 2017 from Olsberg-SPI (with Nordicity)⁴⁷ provides the most recent and extensive available data and analysis to inform the context in which the S&V3 scheme has been operating.

5.3. Given the data contained in the report is recent and has been validated through various industry sources, we have elected to use Olsberg as our starting position for the financial impact element, rather than attempt to replicate/update the analysis from the Crowe Horwath report in 2013.⁴⁸

5.4. Olsberg considers four main sub-sectors in its revenue and employment analysis – (1) Film, Animation and TV Production, (2) Commercial Advertising, (3) Games and (4) Radio. Given the focus of our work in this report, we have adapted this analysis by concentrating on the first and last of these categories.

5.5. We sought to reconcile Olsberg's determination of total Gross Added Value ('GVA')⁴⁹ with our own market estimates to ensure consistency of definition, and thus the suitability of applying the Olsberg's multiplier effects to our adapted analysis.

5.6. We first identified the categories of revenue germane to a review of S&V3 – namely, the expenditure in Ireland on original content, and related funding sources that contribute to this (including, by definition, the S&V3 scheme itself).

- For **television**, we aggregated publicly available data on expenditure by public-service broadcasters RTÉ and TG4, alongside commercial free-to-air and pay-TV operators (Virgin Media and Sky). The expenditure on Irish content by these entities totalled €230m in 2017 (before accounting for public funding such as Screen Ireland, the Irish Language Broadcast Fund and the tax credits available through s481).⁵⁰
- For **radio**, we have used RTÉ's published accounts to determine total content expenditure for the PSB, and the broadcaster returns data provided to the BAI to estimate the programming spend by commercial radio operators.⁵¹ Radio content expenditure on these definitions amounted to €66m in 2017.

5.7. Our working assumption was that our definition of 'original Irish content spend' for TV should equate relatively closely to the calculation of 'Film, Animation and TV' production revenues by Olsberg, after an

⁴⁷ *Op. cit.*

⁴⁸ See Crowe Horwath, *Final Report, op. cit.*

⁴⁹ GVA is a calculation of output by sector or region, consisting of all relevant revenues adjusted by taxes and subsidies. 'Direct' GVA are the revenues directly associated with companies operating in the relevant sector; 'indirect' GVA is a calculation of the benefits arising along the supply chain to that sector; and 'induced' GVA relates to benefits arising among companies rendering adjacent services that are not part of the relevant supply chain. For our purposes, content expenditure is a proxy for direct GVA in the production sector; indirect and induced GVA would be in addition to this.

⁵⁰ We have used 2017 data as this is last year for which content expenditure information was publicly available for RTÉ, the largest contributor to original Irish content, as we were finalising our report. See section 4 above for further detail on our estimates for Irish content funding.

⁵¹ We assume that all programming expenditure for commercial radio qualifies as 'original' as opposed to acquired, given the nature of radios schedules. The figure is provided on an aggregated basis as the company-by-company returns are not publicly available.

adjustment for films (a relatively small category for S&V expenditure). For radio, we sought to isolate the ‘content’ element, as there are significant revenues generated by the broadcast side of the business (advertising sales, administration) which are not directly relevant to our S&V3 analysis.

- Olsberg reports a total revenue figure for Film, Animation and TV in 2016 of €290m. This includes Feature Film revenues of €35m.⁵² The adjusted figure of €255m is broadly in line with our calculation for total expenditure by PSB and commercial broadcasters on original content of €230m.⁵³ This gives us confidence that we should be able to use the Olsberg calculations of GVA for relevant sectors as a read-across multiplier to assess the impact of S&V3.
- For radio, Olsberg does not provide a figure for radio content expenditure or production value. However, in its calculation of the ‘direct’ GVA figure of €112m, it attributes half to of this to ‘broadcasting’ with remainder associated with production.⁵⁴ This is very consistent with Mediatique’s estimate of content expenditure as a percentage of sector revenues.⁵⁵

5.8. Given the broad consistency of our estimates with those of Olsberg, we felt confident in adopting Olsberg’s GVA multiplier effects when considering the financial impact of S&V3 across the categories of direct, indirect and induced effects.

Read-across to S&V3

5.9. We have used the GVA multipliers provided by Olsberg to estimate the indirect and induced financial and employment impact of the funds awarded under S&V3 and applied these to our calculation of the share that S&V3 represents (average, annualised) of total sector content expenditure for each of radio and TV.

- Because the GVA multiplier effects observed by Olsberg are higher for TV than for radio, we have calculated revenues separately for each medium.
- Indirect GVA is fully 90% of direct GVA for TV and just 50% for radio; induced GVA is 42%-43% of direct GVA TV and Radio.

5.10. During the relevant rounds of S&V3, from 2015 to date, the BAI has awarded just over €12m a year to TV and radio producers – split into an average of €11m for TV, and €1.3m for radio (adjusted for actual funding). Using our underlying sector expenditure figures for TV and radio (€230m and €66m respectively), we calculate that S&V3 represents around 4.5% of TV expenditure and 2% of radio.⁵⁶

5.11. We do not have granular data from the Olsberg analysis to permit an adjustment to account for the genre distribution of S&V3 (weighted toward documentaries). It is likely that using the GVA of Film, TV, and Animation in our read-across over-estimates the impact of SV3, given that this category for the Olsberg analysis is inflated by the higher-value, higher-impact drama genre, where SV3 is less represented.

5.12. This caveat notwithstanding, we have used the ratios of 4.5% of the TV GVA and 2% of the radio GVA to determine the indirect and induced financial impacts of S&V3.

⁵² See Figure 7, Olsberg, page 30.

⁵³ We may under-report as we do not separately track animation as a production category.

⁵⁴ Olsberg, page 23.

⁵⁵ Revenues in radio in 2016 were around €127m, as reported in the BAI’s BSS market review. Our estimate of €66m of radio sector content expenditure is 52% of those revenues. The GVA of radio in Olsberg is €112m, of which €54m is allocated to ‘broadcast’ as opposed to production, implying that production is 52% of the direct GVA.

⁵⁶ This excludes TV expenditure relating to Screen Ireland, Irish Language Film Fund and s481, totalling €105m.

5.13. The total indirect and induced financial impacts arising from S&V3 total €15m a year. Combined with the direct impact of S&V3 average annual funding of €12m, this creates a total economic impact of €27m a year.

Figure 15: Determination of annual indirect and induced economic impacts from S&V3 (using Olsberg multiplier effects)

	Mediatique market size estimate (€m)	Multiplier effects (% of direct)	Total indirect and induced impacts (€m)	S&V3 share of relevant market (direct)	Indirect and direct impacts from S&V3
Film, TV and Animation	€230m	Indirect: 90%	€207m	4.5%	€14m
		Induced: 42%	€97m		
Radio	€66m	Indirect: 50%	€33m	2%	€1m
		Induced: 43%	€29m		

Source: Olsberg Report, Mediatique calculations

Employment effects

5.14. We concur with Crowe Horwath in its 2013 report⁵⁷ that the size of the independent production sector is modest and impacts of S&V3 on job creation are likely to be relatively minimal overall. Small increases in S&V3 funding would be unlikely to have a material impact on employment levels in TV production but rather would generate greater impact and value from staff already employed. (We note that the scheme provides critical support for Community Radio and TV and is relatively more important to commercial radio than to TV.)

5.15. We propose to calculate the impact on jobs of S&V3 by using a read-across from the GVA analysis undertaken by Olsberg, assigning a proportion of the **employment** GVA to S&V3 in the same way as we allocated a proportion of the **financial** GVA. The same caveats on genre distribution (sector-wide dynamics versus S&V3’s documentary focus) apply here.

- For Film, Animation and TV, Olsberg estimates there are just over 7,000 direct jobs, of which 960 are in cinema exhibition (and thus are excluded), so around 6,000 jobs.
- Olsberg estimates there were 1,770 direct radio jobs in 2016. As we argue in favour of removing ‘broadcast’ jobs (to focus on ‘production’), and with no further transparency about the split, we have only applied 67% of these assumptions to determine the S&V3 jobs impact in radio.
- We have also accounted for the proportion of jobs associated with community TV and radio from our calculations, in recognition of the largely voluntary nature of the community sector. This makes a very small difference for TV but is more meaningful for radio.⁵⁸

5.16. Using the ratios established for indirect GVA employment by Olsberg, the total number of jobs associated with S&V3 funding across both non-community radio and TV, direct and indirect, is just over 400:

- S&V3’s share of non-community film, TV and animation (4%) is applied to the 6,000 TV jobs resulting in a total of 254 direct and 134 indirect jobs associated with the S&V3 investment.

⁵⁷ *Op. cit.*

⁵⁸ In order to calculate the effect, we used 2017 actual (adjusted) figures for S&V3 (a total of €11m) and removed the amounts allocated to community radio (€415k) and community TV (€158k). The adjusted results, €9.7m for TV and €685k for radio, were added to the total content expenditure of PSB and commercial radio and of total TV (€66m and €230m). The adjusted S&V3 share was then expressed as ratios of these totals for TV and for radio. These ratios (4% for TV and 1% for radio) were then applied to Olsberg’s employment GVA impacts to calculate the S&V3 contribution to jobs.

- S&V3's share of non-community radio (around 1%) is applied to the 1,770 radio jobs (and then discounted to 67% to account for our decision to include only production jobs); this results in a total of 11 direct and 3 indirect radio jobs associated with the S&V3 investment.

Impact on Community channels and stations

- 5.17. The approach above is directional and applies to the overall sector. In practice, there will be relative impacts (on a sub-sector basis) that are not readily discernible in the analysis.
- 5.18. Some of these relative differences are captured at the aggregate level – for instance, in the variations between TV and radio overall in the GVA calculations (particularly in the assessment of indirect impacts). Missing, however, is the significant impact that S&V has on community channels and stations.
- 5.19. As recognised in previous reviews, it is unlikely that all community radio stations could survive without the contribution under S&V (current and previous schemes⁵⁹). This is similarly true of Community TV. The impact of these services, over and above the funding of public service content that would not otherwise be made, are widespread at local level, and include a contribution to skills development, greater social and cultural cohesion and promotion of regional diversity.

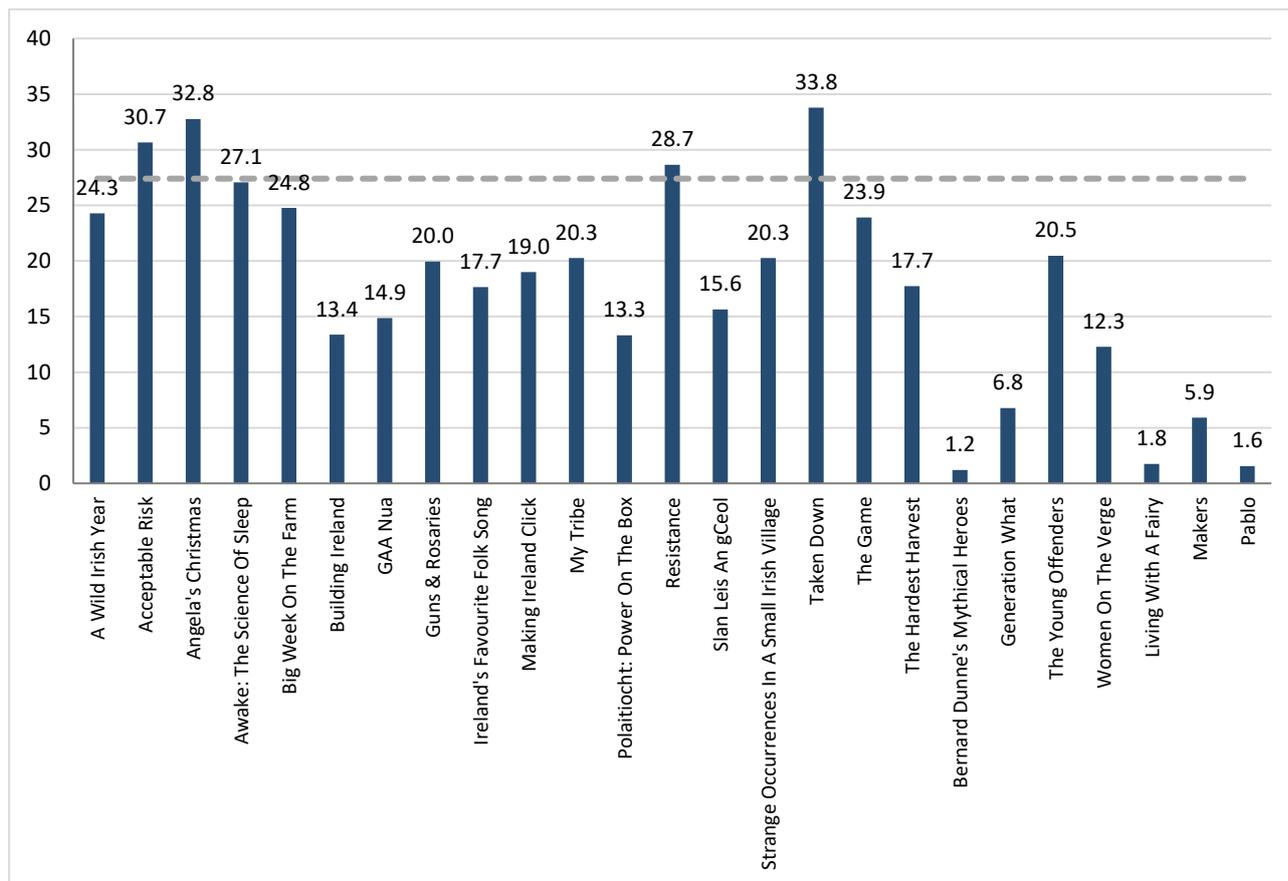
Audience impacts

- 5.20. Maximising audience share is not an objective of S&V3, and the scheme is aimed at funding content across a range of genres and formats. The scheme's objectives, including the promotion of diversity, plurality and innovation, will necessarily result in lower audiences for certain pieces of content funded by the scheme that might otherwise not have been made and found even a relatively small audience.
- 5.21. Audience outcomes will also be heavily dependent on the channel or station on which content is broadcast, the target audience and time of broadcast.
- 5.22. In order to assess the potential audience impact of the scheme, we analysed a random sample of 50 TV programmes funded by S&V3, allowing for a representative split of content by genre, format and channel.
- 5.23. We set out below audience share data for scheme-funded programmes broadcast on RTÉ, TG4, Virgin Media and Eir Sport. A range of audience data is available (including average audience, TV ratings); however, share of viewing allows us to assess programme performance relative to channel averages without being skewed by overall audience size at different times of day.
- 5.24. The random sample of scheme-funded programmes on RTÉ shows a wide range of audience share outcomes, including some above, in line with and below RTÉ's average audience share.⁶⁰

⁵⁹ As CH wrote in 2013, in its review of S&V2: "There is little doubt that Sound and Vision II is vitally important to the sustenance of the community radio sector, which is a small sector operating on a largely voluntary basis and with little scope for generating significant revenue". *Op. cit.*, page 54.

⁶⁰ Please note that while the metrics for each programme are based on the 'Individuals' audience, the averages lines are based on Adults 15+.

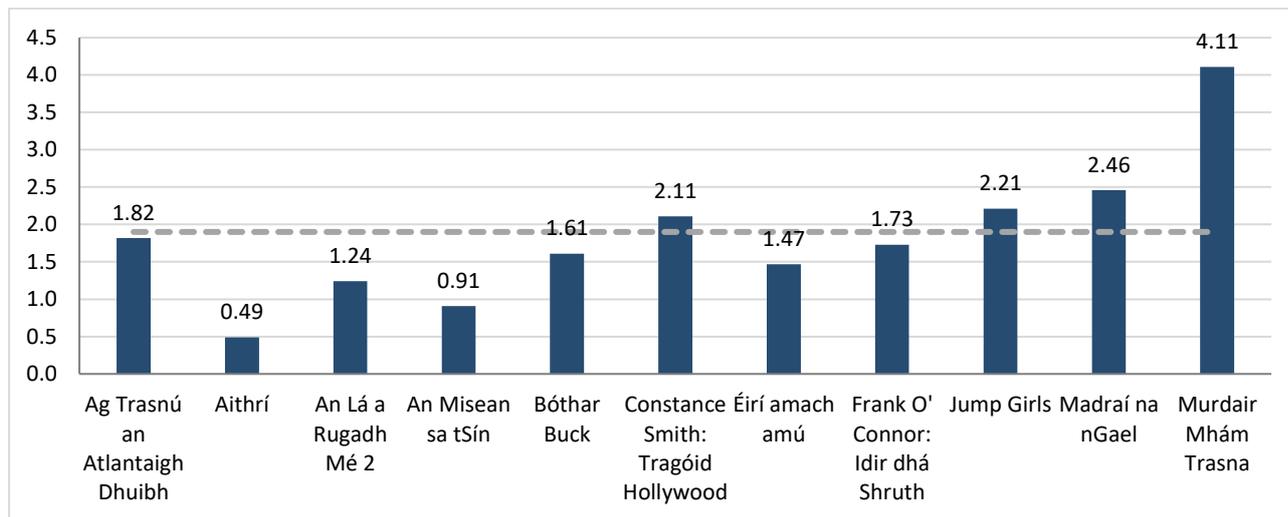
Figure 16: Audience share for selected scheme-funded programmes on RTÉ – compared to RTÉ average⁶¹



Source: TAM Ireland Ltd/Nielsen TAM, Live data, National Individuals, Multiple data, Programme-specific dayparts

5.25. A similar picture is shown for those programmes on TG4, Virgin Media and eir Sport.

Figure 17: Audience share for selected scheme-funded programmes on TG4 – compared to TG4 average⁶²

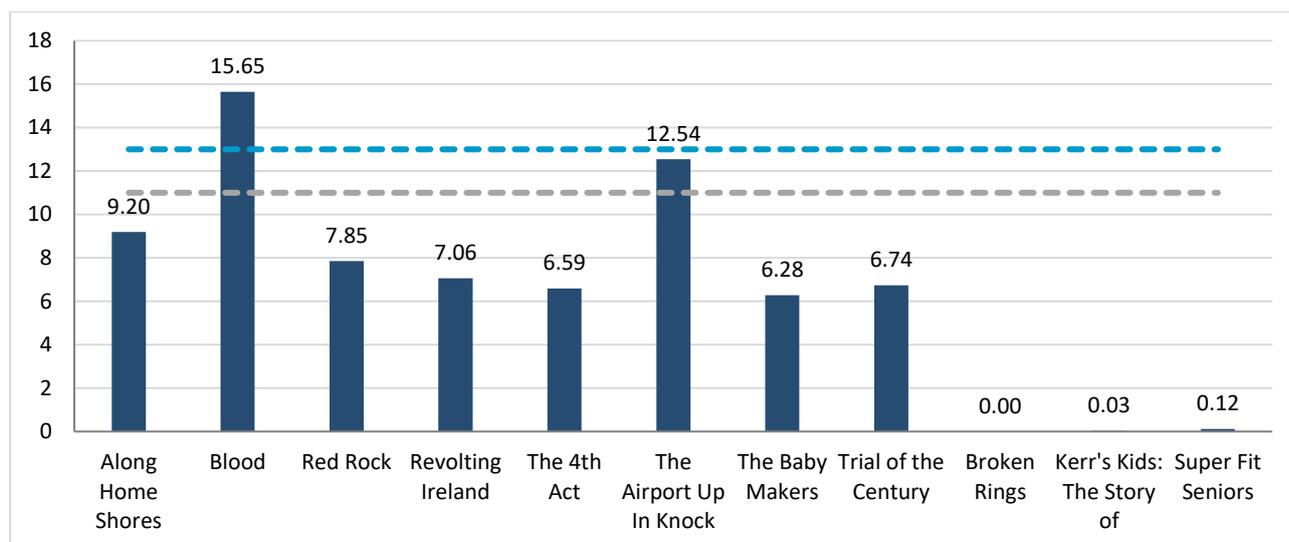


Source: TAM Ireland Ltd/Nielsen TAM, Live data, National Individuals, Multiple data, Programme-specific dayparts

⁶¹ Average from 2016 Nielsen TV Consumption Report, for RTÉ Total Share of Viewing (Adults 15+).

⁶² Average from 2016 Nielsen TV Consumption Report, for TG4 Share of Viewing (Adults 15+).

Figure 18: Audience share for selected scheme-funded programmes on commercial channels – compared to average (Virgin Media One and eir Sport TV)⁶³



Source: TAM Ireland Ltd/Nielsen TAM, Live data, National Individuals, Multiple data, Programme-specific dayparts

- 5.26. These outcomes suggest that the scheme does indeed fund a diverse range of programmes, including those with significant audience appeal as well as those with a more niche target audience.
- 5.27. A similar picture is to be expected for radio content funded by the scheme, where audience outcomes are likely to have a wide range depending on the genre, format, target audience and the station on which the content is broadcast. There are no programme-by-programme audience figures for radio, and therefore an exercise similar to that conducted for TV programmes has not been possible.

⁶³ Average from 2016 Nielsen TV Consumption Report, for TV3 Group Share of Viewing (Adults 15+) and eir Sport 1 Share of Viewing (Adults 15+).

6. Findings from stakeholder surveys and interviews

6.1 We undertook a detailed process of engagement with stakeholders in the Irish media landscape to gauge views on the role, effectiveness, suitability and sustainability of the S&V fund. This included an online survey of content producers, a telephone consumer survey and in-depth interviews with a range of players.

Producer survey

6.2 We undertook an online survey of TV and radio producers, to gauge the views of actual and potential applicants on the operation and the effectiveness of the scheme.

6.3 We targeted all producers⁶⁴ applying for funding under S&V3 and/or previous schemes; and a representative group of producers who have not previously applied. The survey was anonymous, with all active registered users of the BAOnline system invited to take part.⁶⁵ The survey was also promoted to members and stakeholders by Screen Producers Ireland and CRAOL.

6.4 In total, the survey received 279 responses, of which 268 were collected through the English language survey and 11 through the Irish language survey. The survey comprised 41 questions, a mix of multiple-choice, score-rating, and open questions. The cumulative completion rate was 81% (81% in English and 73% in Irish).

6.5 The majority of respondents were based in Dublin, with 77% representing companies with 4 employees or fewer. Of these, the majority were sole traders. The overwhelming majority of respondents had heard of the scheme before (98%), and most (84%) had applied at least once before.⁶⁶

Attitudes towards applications and funding

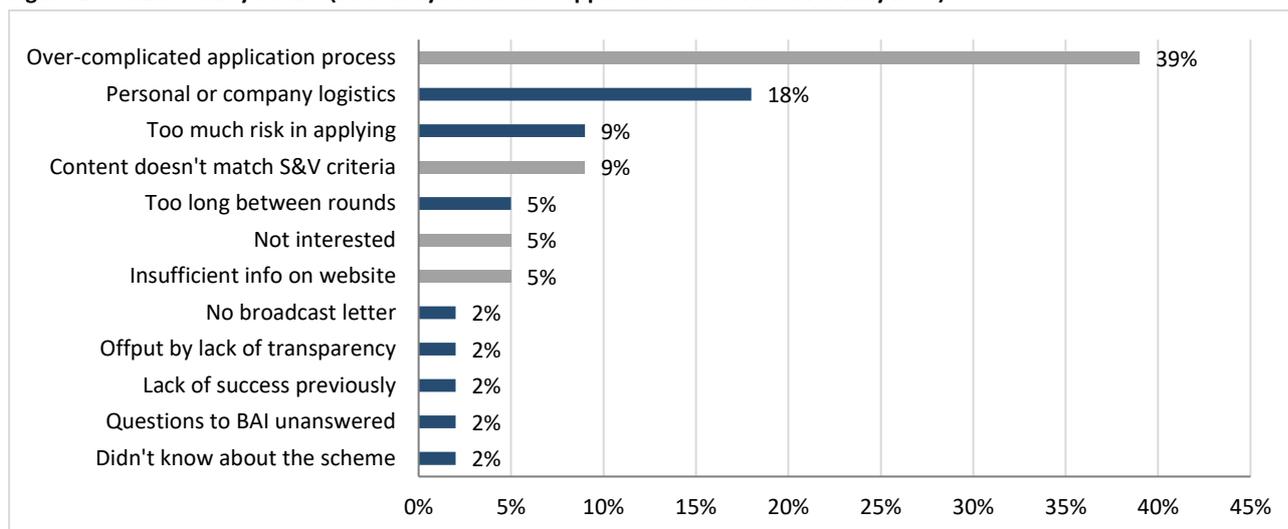
6.6 Among those who had not applied before, the applications process was the cause most often cited as the reason as to why this was so. However, many of the other reasons are outside the BAI's control: for example, personal or company logistics or cases where content does not match up with the scheme's criteria.

⁶⁴ This includes broadcasters where these broadcasters are also content producers and are active registered users of the BAOnline system.

⁶⁵ In line with data protection regulations, we had no access to the contact details of registered BAOnline users. The BAI was responsible for all communication with registered BAOnline users.

⁶⁶ All data and tables in this section derive from the Mediatique online survey.

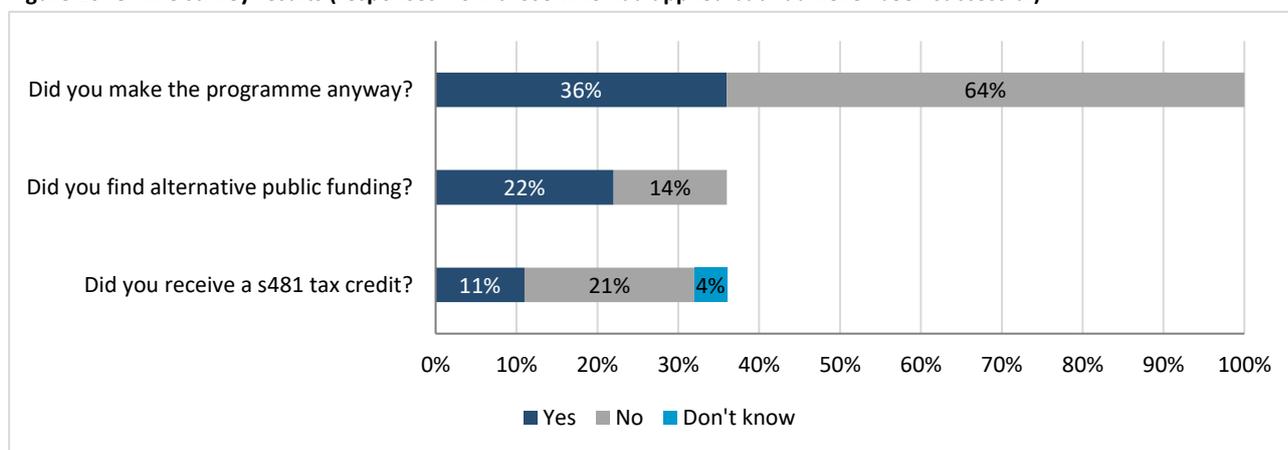
Figure 19: Online survey results (You said you have not applied for funds via S&V3. Why not?)



Grey bars represent the multiple-choice responses given by the survey. Blue bars represent new categories derived from answers where respondents elaborated in a text box. Some text-box answers fit original categories and thus counted towards those original categories

- 6.7 Among those who have applied, almost 40% have applied more than five times and across all of those who have applied, 86% have been successful at least once.
- 6.8 The survey captured the small (28) sample of producers who have applied before but have never been successful. Their responses suggest that after failing to obtain S&V3 funding only 36% of the programmes were made anyway. Where alternative sources of public funding were obtained and the programme was made, the main sources were most likely to be: Screen Ireland, the ILBF and the broadcasters.

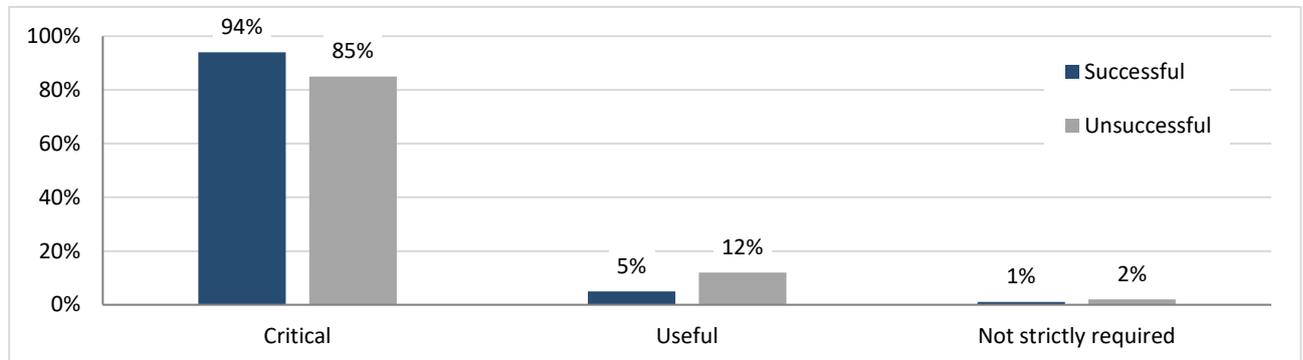
Figure 20: Online survey results (responses from those who had applied but had never been successful)



- Unsurprisingly, these were also the top three sources of public funding for successful applications, 37% of whom found additional public funding for their programmes.
- However, a much larger range of potential funding partners was highlighted by survey respondents, including government departments, local city and county councils, international public funding bodies (Creative Media Europe) and other Irish industry groups (Science Foundation Ireland, IMRO, Foras na Gaeilge, Glór na nGael, Enterprise Ireland).

6.9 The overwhelming majority of respondents describe S&V3 funding as “critical” to their productions. This was asked of successful and unsuccessful applicants alike and, whilst unsuccessful applicants are more likely to see the funding as “useful” but not “critical”, the contrast is still stark.

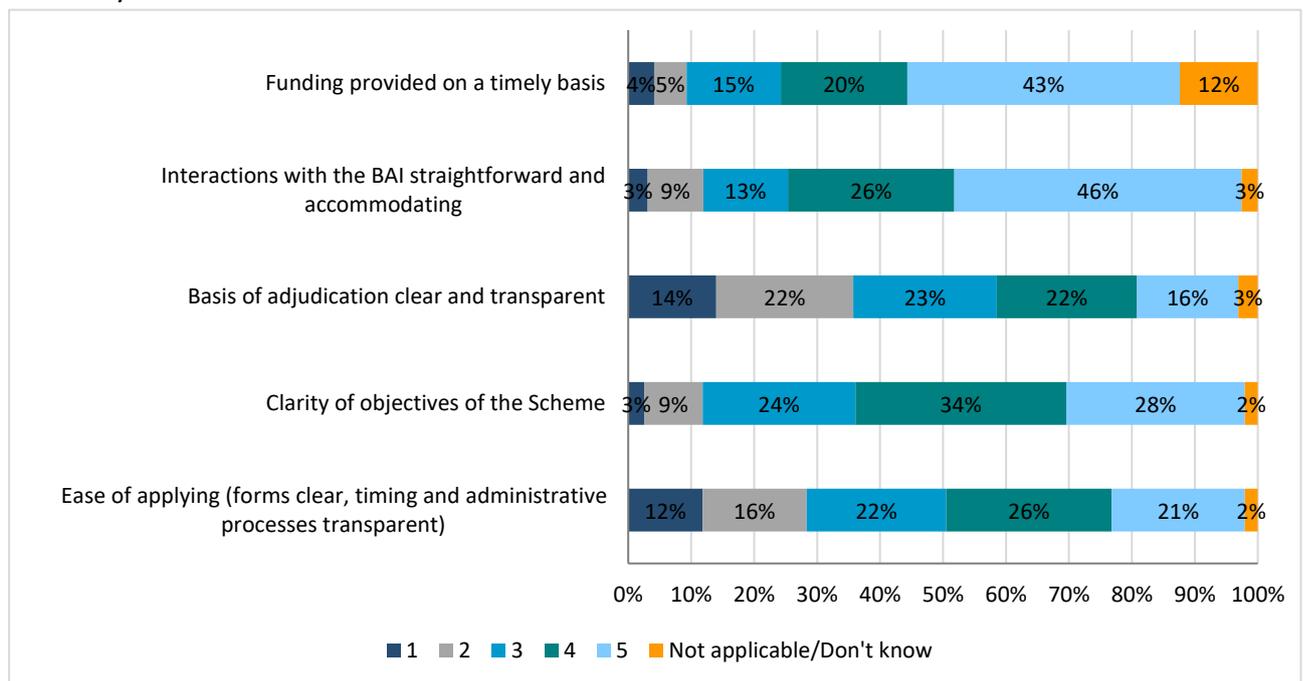
Figure 21: Online survey results (Thinking about your most recent [successful/unsuccessful] application, how important was the availability of the fund to realise your content ambitions?)



Attitudes towards scheme’s processes

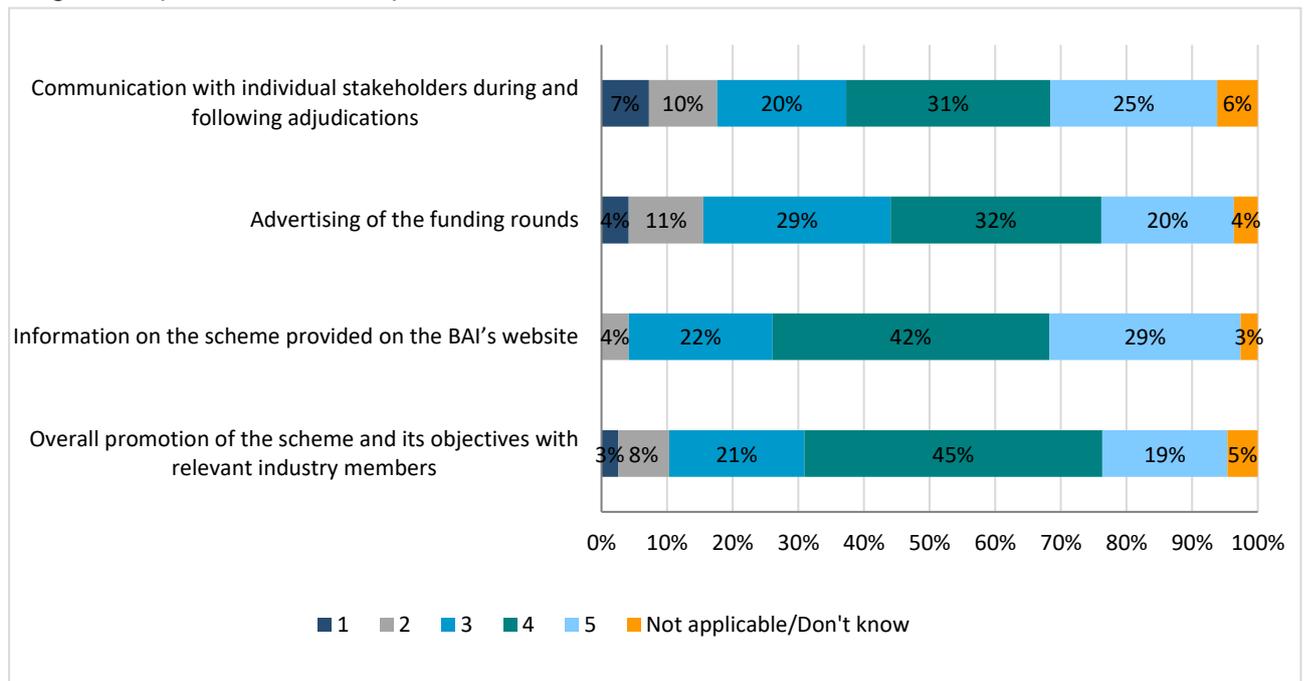
6.10 Respondents generally rated the process positively, particularly the timeliness with which funding was provided as well as the straightforwardness of interactions with the BAI. However, the transparency and clarity of the adjudication process could improve, as could the ease of applying.

Figure 22: Online survey results (How do you rate the process (on a scale of 1 to 5, 1 being poor and 5 being excellent) on various measures?)



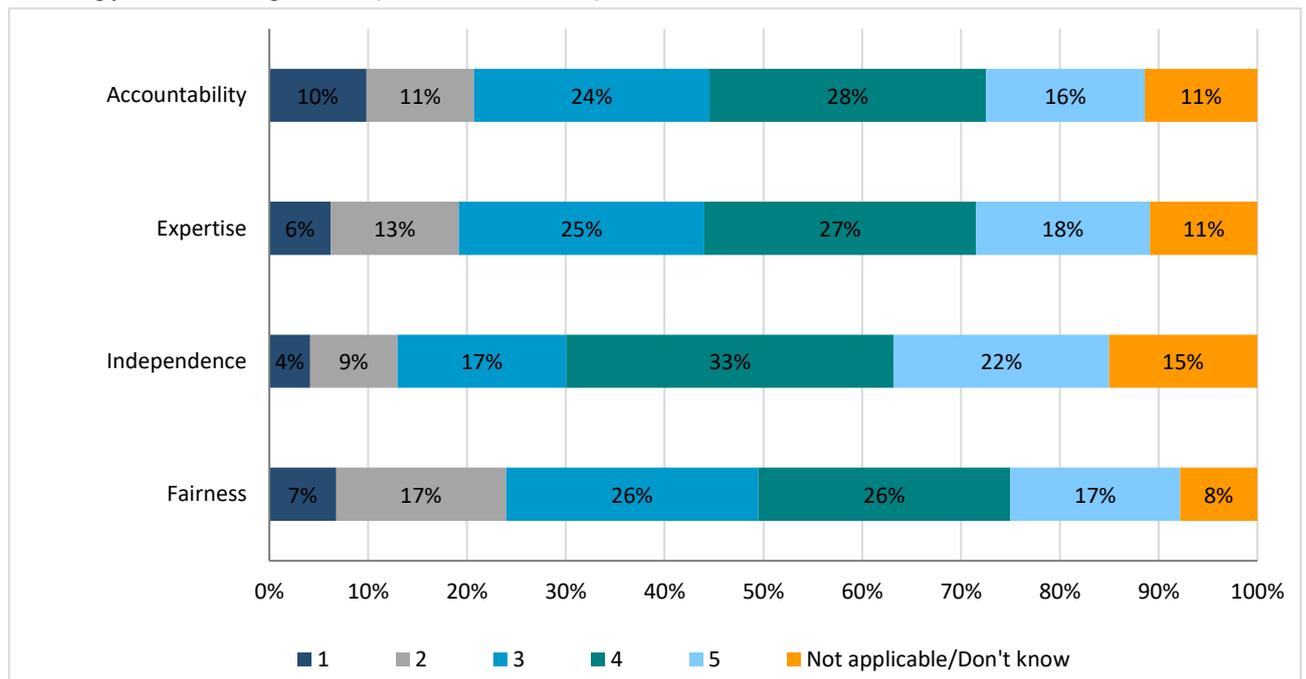
6.11 The BAI’s communications also scored positively, especially the information provided on the website (although a few also cited this as one of their key issues in later sections).

Figure 23: Online survey results (How would you rate the BAI’s communications efforts (on a scale of 1 to 5, 1 being poor and 5 being excellent) on various measures?)



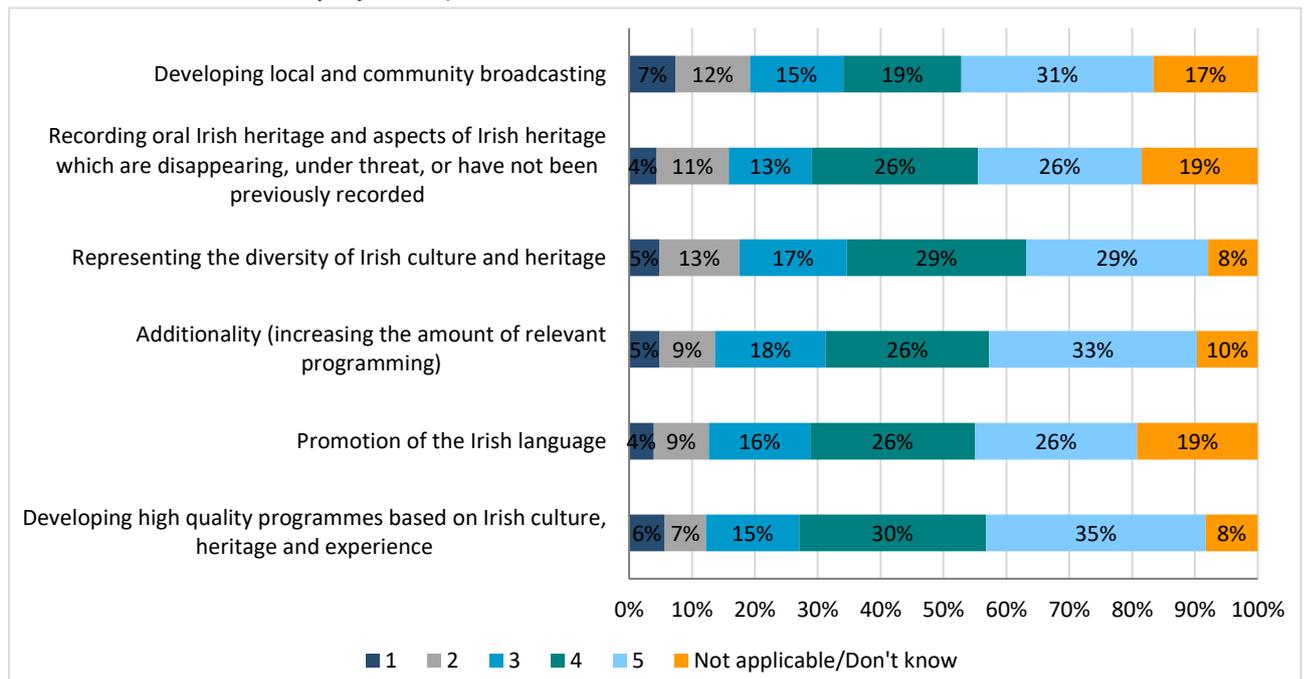
6.12 The assessment process is rated less well, in particular on accountability and fairness.

Figure 24: Online survey results (To the extent of your knowledge, how would you rate the assessment process (on a scale of 1 to 5, 1 being poor and 5 being excellent) on various measures?)



6.13 Respondents felt that the statutory objectives of the scheme are well met, particularly in developing high-quality programmes based on Irish culture, heritage and experience.

Figure 25: Online survey results (How would you rate the S&V scheme (on a scale of 1 to 5, 1 being poor and 5 being excellent) on whether it has met its statutory objectives?)



Attitudes towards scheme’s contributions to gender equality and to diversity

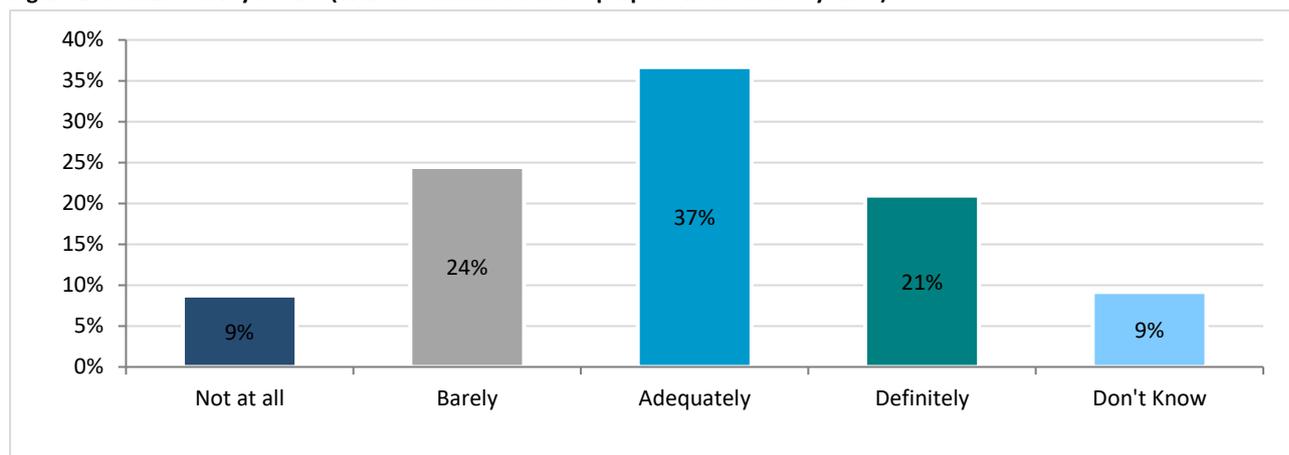
6.14 Respondents’ outlook on the scheme’s role in ensuring gender equity was mixed, but the majority (76%) were aware of the BAI’s role in such measures. The response to diversity was less mixed, with 70% agreeing that the scheme should have measures in place to facilitate greater diversity on screen and radio, although there was an expansive range of views on what diversity should encompass and what should be prioritised. For example, respondents mentioned: ethnic/cultural diversity, non-Irish languages, ability/disability, urban/rural, class, immigration issues, LGBTQ, travellers and age. Almost a quarter mentioned diversity behind the camera/mic is an equally important factor for the industry to promote.

6.15 An open question on how to encourage participation highlighted the application process, improved interaction and transparency as key areas of consideration.

Attitudes towards scheme suitability and sustainability in the future

6.16 In terms of the future, most respondents think the scheme will remain fit for purpose and 77% would like to see the fund grow financially.

Figure 26: Online survey results (Will the scheme be fit for purpose in the next 5 years?)



6.17 Overall, respondents used the opportunity to remark on how fundamental and important the scheme was to them, with a range of suggestions for improvements to ensure its continued survival. This included suggestions to open the scheme to online platforms (including podcasting), re-examining the role of TV broadcasters in the scheme, the addition of further genres (such as acquired formats – such as for reality programmes and dance contests – or News & Current Affairs), implementing systems to encourage collaboration and content-sharing between broadcasters, running workshops on the application process, and enabling more BAI interaction with rural stations outside Dublin.⁶⁷

Survey of audience opinions

6.18 In order to assess public awareness and attitudes towards the scheme, we engaged Ipsos MRBI to conduct a telephone survey of a sample of Irish individuals.

6.19 The research was conducted from 15th-31st March 2019 via Ominipoll, Ipsos MRBI’s telephone omnibus survey, among a sample of 1,000 adults, aged 15+ in the Republic of Ireland. The sample was representative of gender, age, social class, children in household, region, employment status and education.⁶⁸

6.20 In agreement with the BAI, a list of S&V3-supported programmes was provided to respondents to gauge audience engagement with S&V3, even among respondents who are not aware of the BAI and/or its funding role.

Attitudes to Irish media

6.21 Very few respondents (just 2% overall) believe the level of Irish content⁶⁹ on TV and radio is too much, with over half believing the level of Irish content is currently about right. However, younger cohorts are much more likely to believe there is not enough Irish content with almost 60% of 15-24 year olds stating this view. This raises questions about how adequately younger audiences are being served by Irish broadcasters.

6.22 37% of respondents believe there is not enough Irish content across TV and radio. This is most prominent among the youngest segments analysed (15-24 year olds), where almost 60% of respondents believe there is not enough currently. Female respondents were also more likely to hold this view.

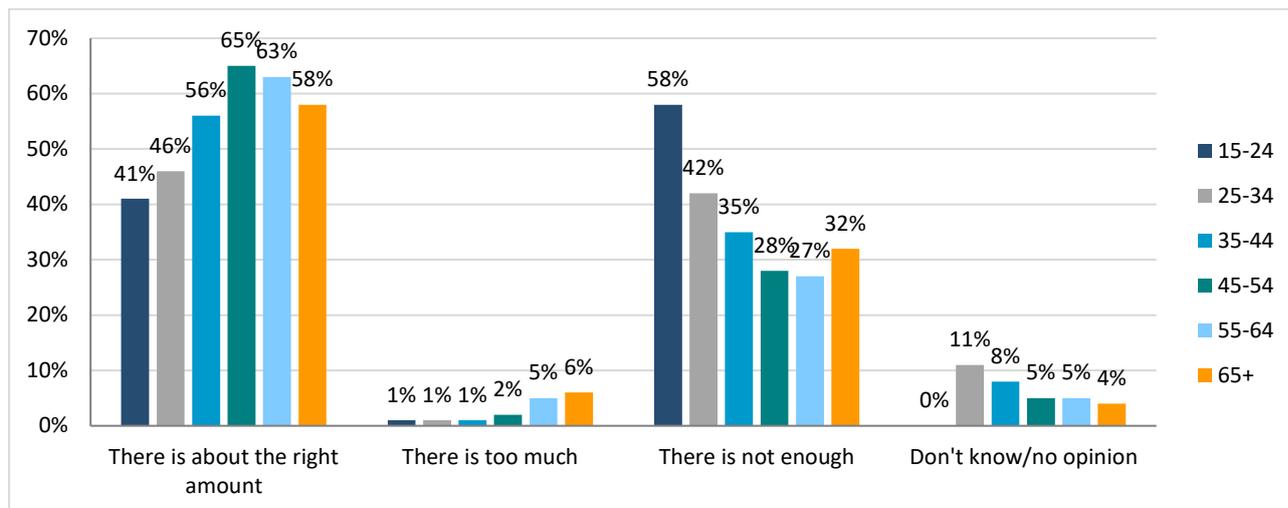
⁶⁷ A number of these suggestions have been retained in our list of recommended changes for a future S&V scheme. See section 8: Key findings and recommendations.

⁶⁸ All data and tables in this section derive from the March 2019 survey conducted by Ipsos MRBI.

⁶⁹ Respondents were asked about both ‘Irish content’ – original content made in Ireland and/or on Irish themes – and content in the Irish language.

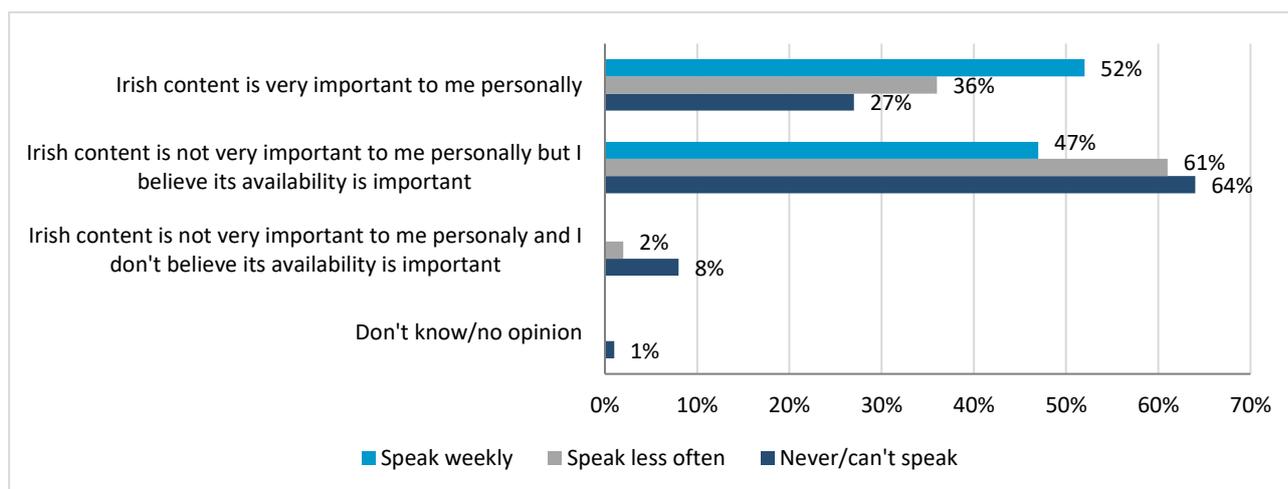
6.23

Figure 27: Consumer survey results (What is your opinion about the quantity of Irish content on TV and radio? Would you say ...?)



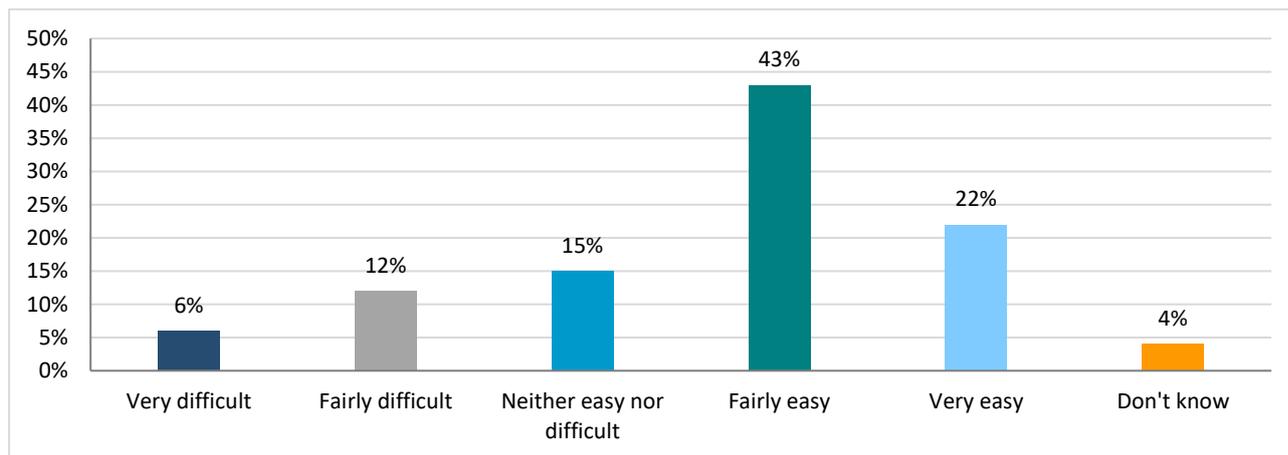
6.24 Almost all respondents recognise the importance of having access to Irish content on TV and radio, although for many this is not at a personal level but rather that availability of Irish content is a common good that should be available for those who want it. Among those speaking Irish regularly, the personal importance of access to Irish content increases.

Figure 28: Consumer survey results (Which of the following statements best matches your own opinion?)



6.25 Across those surveyed, most feel that Irish content is easily accessible although 6% find it very difficult to access, and a further 12% find it fairly difficult to access.

Figure 29: Consumer survey results (How easy or difficult do you think it is to find Irish-made content on TV and radio?)

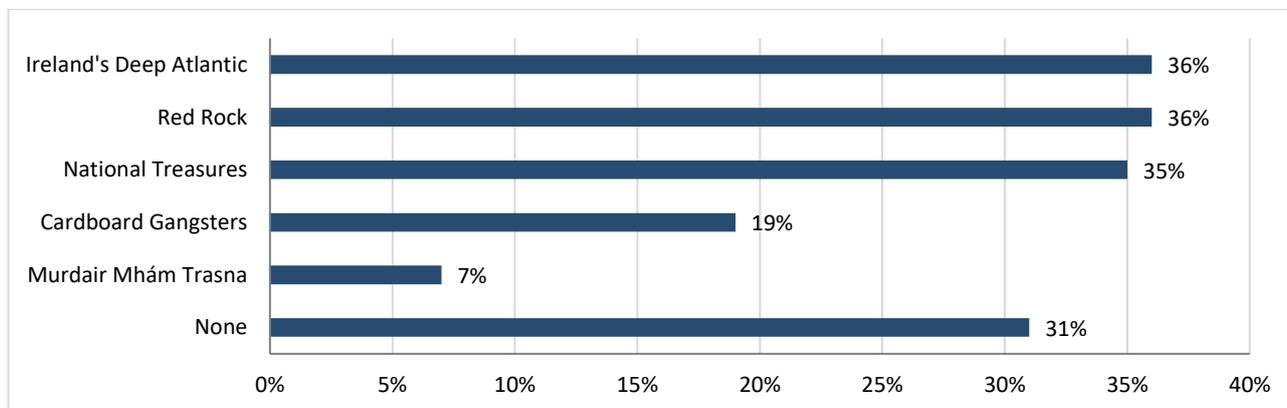


6.26 These responses usefully underpin a core objective of S&V to fund and promote indigenous content in the Irish market.

Attitudes to Sound & Vision

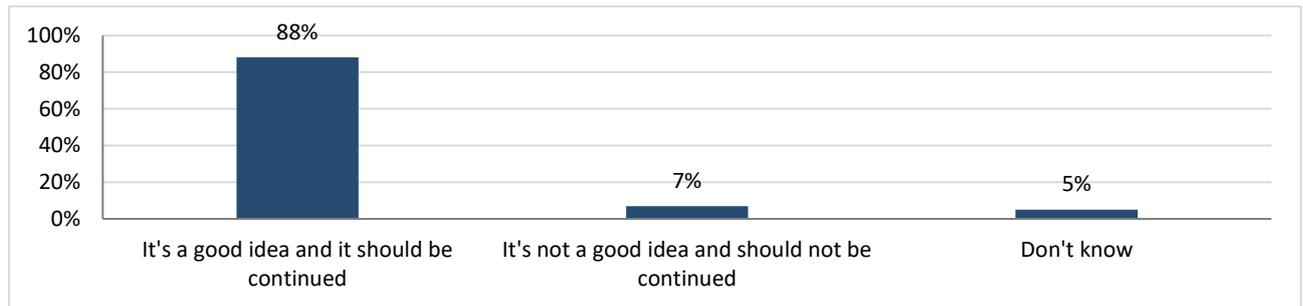
6.27 There is limited awareness of S&V3; 93% of respondents having not previously heard of the scheme. Unsurprisingly, heavy consumers of broadcast content are more likely to be aware of the scheme, presumably due to greater exposure than non-heavy consumers. Despite this, viewing of programmes supported by the scheme was relatively high with 69% of respondents having viewed at least one of the following programmes.

Figure 30: Consumer survey results (Have you viewed or listened to any of the following programmes funded by the Sound and Vision scheme over the past three years?)



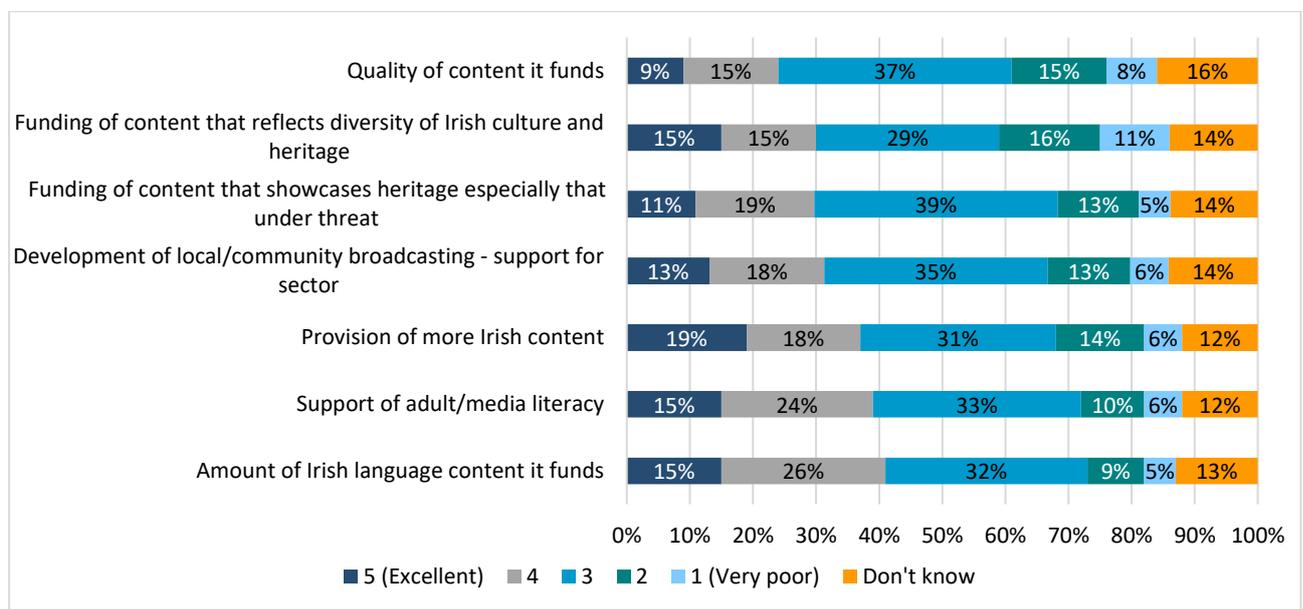
6.28 For those who were not previously aware of the scheme, a short statement on the scheme’s purpose and activities was read out. Participants were then asked for their views on the value of such a scheme. Most (88%) recognise its value, although this is higher among certain cohorts including: Irish speakers (94%), those who were previously aware of the scheme (93%) and those who advocate for more Irish content in general (93%).

Figure 31: Consumer survey results (What is your opinion about the Sound and Vision scheme? Would you say ...?)



6.29 All participants were then asked to rank the scheme’s activities. There were relatively mixed views here, possibly reflecting the lack of awareness. In particular, conventionally marginalised genres – such as Irish language content and adult/media literacy – attracted low satisfaction ratings.

Figure 32: Consumer survey results (Having heard a little about the purpose of the Sound and Vision Funding Scheme, how would you rate the scheme on each of the following criteria using a scale of 1 to 5 where 1 is very poor and 5 is excellent ?)



6.30 Finally, most respondents agreed Irish TV and radio content displays a fair gender balance (58%) and represents the diversity of people in the country (56%). When asked whether the scheme should have measures in place to require a better gender balance, respondents were split: 49% responding positively versus 46% saying no. However, 63% would like to see the scheme put measures in place to require diversity of representation of Irish people on TV and radio.

Key findings from the consumer survey

6.31 Despite few respondents being aware of S&V, scheme-supported content has had relatively high exposure, with 69% of respondents having viewed at least one of the programmes listed. *Cardboard Gangsters* and *Red Rock* particularly appealed to a younger audience while RTÉ’s *Ireland’s Deep Atlantic* and *National Treasures* and TG4’s *Murdair Mhám Trasna* had a bigger audience among the older 55+ segment.

6.32 It is notable too that many recognise the importance of access to Irish-made content, even though only one-third claim it is personally important to them. While more than half believe the balance of Irish content available across TV and radio is currently appropriate, almost 40% of the population feel there is not enough

Irish content available. In particular, younger respondents, female respondents and Irish speakers believe the balance is too skewed away from Irish content.

- 6.33 The majority recognise the value of the scheme and would like to see it continued. Most agree that measures should be put in place to ensure diversity in scheme-supported programming, although opinions on whether such measures are required to ensure gender balance in programming is less clear.

Interviews with internal and external stakeholders

- 6.34 We interviewed 25 internal and external stakeholders on a confidential basis to gauge their views on various elements of the scheme. Several themes emerged which could be explored in depth.
- 6.35 Opinions were not universally held and the difficulties of running such an all-encompassing scheme for such a broad range of participants was acknowledged by those involved. However, interviewees were largely positive about the scheme and underlined its essential role in the Irish media landscape.

The scheme's objectives

- 6.36 We heard a range of views about the scope and suitability of the scheme's objectives. Many applicants noted that the scheme was initially set up to provide "additionality" to existing content creation but had now become crucial to the survival and sustainability of certain operators. Some believed that S&V should focus on developing the Irish content sector as a whole, rather than focusing on the creation of specific programmes; this might include investing in training and skills.
- 6.37 There were many views on the kinds of content that should be funded.
- Some believed that there was too much focus on "worthy genres" that prioritised potentially "dull" programmes that had little impact and very small audiences.
 - Few believed that such genres (e.g., educational content or kids' content) should be stripped out of the scheme. However, several respondents argued that genres such as Entertainment and Drama can provide vital support for the economic growth of the sector.
 - Some argued that if the BAI are really focused on the growth and sustainability of the Irish media landscape, they should consider setting funds aside to support these big heavy-duty shows, even if the content is less "worthy or public service". Such an approach would also enable the creation of Irish content with potential international appeal.
 - Such debates are common to any discussion of public sector funding and would need to be considered against the overall stated objectives of the fund.
- 6.38 There were mixed views on the issue of female-focused rounds. Some were very supportive and wanted to see further such rounds in other under-represented categories; while others questioning whether this should rather be part of every round rather than focused on specific rounds. Most interviewees with views on the sector supported the promotion of diversity more generally.
- 6.39 We also heard that there was a desire for S&V to work more constructively with other players in the Irish landscape including with Screen Ireland.

Application process

- 6.40 A recurrent theme from our interviews was how burdensome the application process can be. Many believed that there should be a less comprehensive application process for smaller projects, including radio and

community projects, citing that a ‘one size fits all’ approach was not practicable for smaller less resourced – and non-commercial – applicants.

- 6.41 Applicants expected to spend between 40 and 60 hours working on an application which, for many, is untenable, particularly when development funding cannot be completely reclaimed. Bigger and more established companies have dedicated personnel working on applications, but this is not the case for sole traders (who make up a majority of the market, according to our survey).
- 6.42 Further, there are certain production companies and broadcasters who have changed the way they apply, up to and including not applying anymore because the risk inherent in the process is too great. Others, moreover, have decided to no longer support applications by external production companies, preferring instead to only apply for in-house productions (this relates primarily to radio).
- 6.43 However, some interviewees accepted the need for a rigorous and in-depth process, given the scheme is funded by public money. There was an accepted risk that a less complex application process would likely increase the number of applications received (thus increasing the administrative burden for the BAI) and potentially lead to lower quality and less developed ideas.
- 6.44 Some respondents suggested that a middle road could be found through a rigorous compliance and contracting stage rather than via a complicated application process.

Decision making and feedback

- 6.45 Some interviewees complained about the assessment process and the lack of consistent and meaningful feedback.
- 6.46 Feedback was often considered insufficiently transparent to properly inform changes to how applicants approach future applications. There were concerns that there was no standardised statement of requirements or expectations, with decisions arbitrarily made by assessors based on their personal likes and dislikes.
- 6.47 Many applicants suggested that a clear structured marking or scoring scheme would be helpful to avoid confusion about decisions, and aid improvements in future submissions.
- 6.48 Some also believed that there was a lack of flexibility in the process – that there was no basis of interaction with assessors, or any means of incorporating feedback into current submissions; this only allows applicants to re-apply in subsequent rounds, rather than making current applications better. This was a concern for time-sensitive content (e.g., event-based docs).

7. Impact of future developments on suitability of the scheme

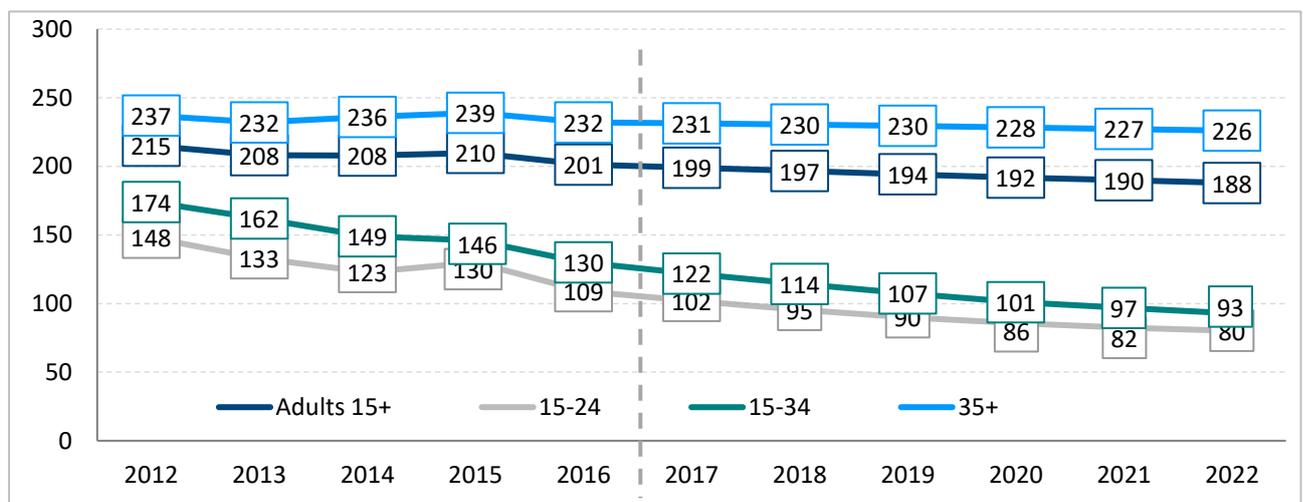
Market trends

- 7.1 In 2017, we reviewed the Irish media landscape as part of the BAI’s BSS review. In it, we forecast the trends that would take place across a five-year outlook.
- 7.2 We do not intend to reproduce this work here but rather to interrogate our findings in light of two more years’ worth of data from Nielsen and JNLR and confirm (or disprove) that these trends still hold. The objective is to consider whether a scheme or schemes focusing on TV and radio from 2020 would be fit for purpose.

TV viewing trends

7.3 Our 2017 forecast of consolidated TV viewing minutes per person was as follows:

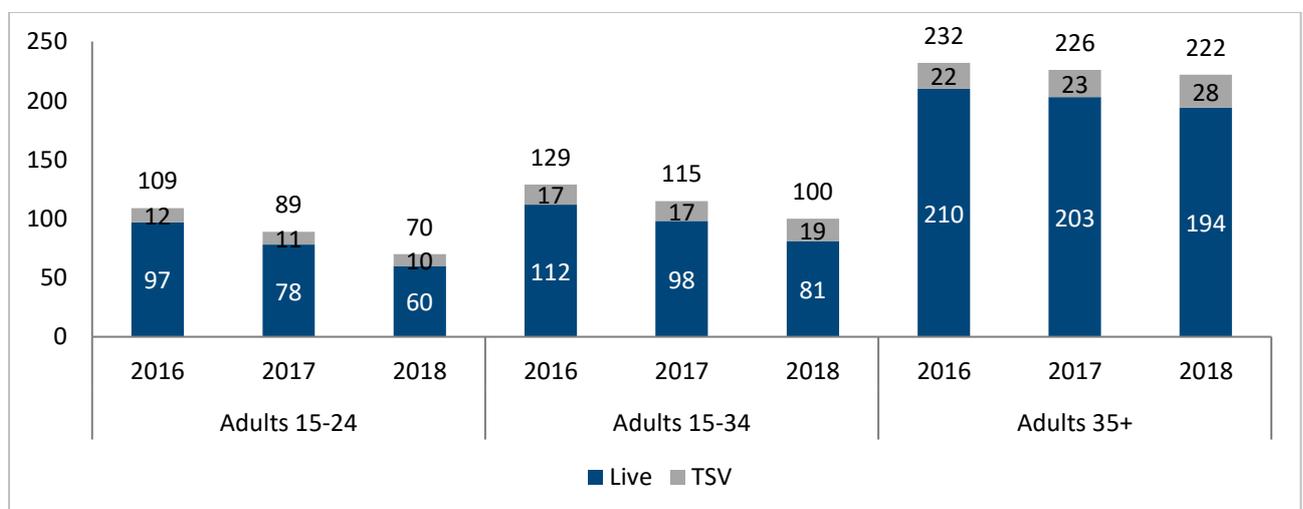
Figure 33: Forecast consolidated TV viewing minutes (average per person per day)



Source: TAM Ireland/Nielsen TAM; Mediatique forecasts

7.4 The latest viewing data suggest that younger people watched considerably less TV in 2018 than they did only two years previously. Daily viewing minutes for 15-24s declined at a CAGR of -20% from 2016-18, compared to -12% for 15-34s and -2.2% for the 35+ category.

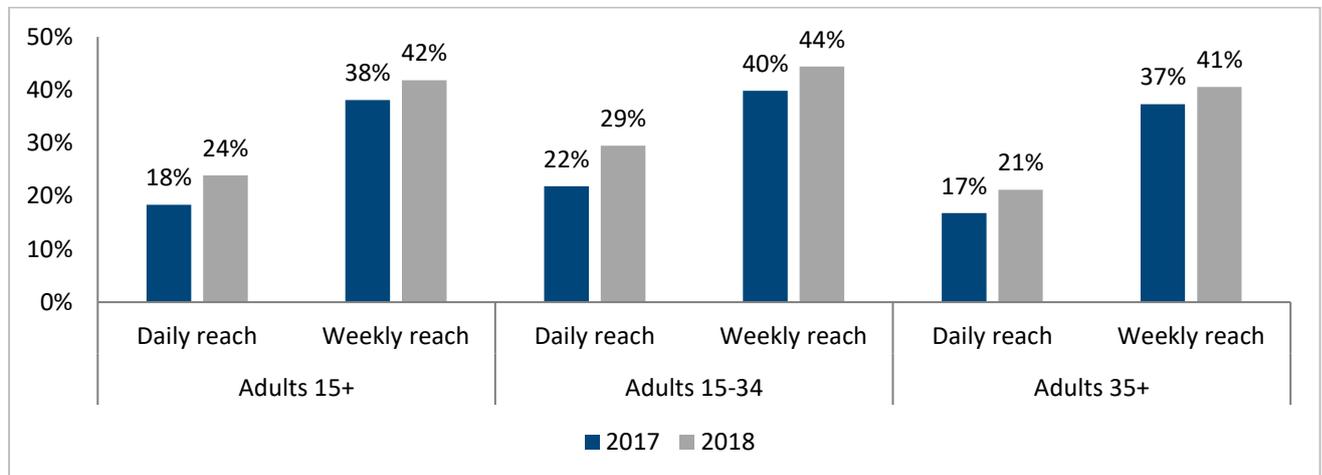
Figure 34: Daily TV viewing minutes per person, 2016-18



Source: TAM Ireland/Nielsen TAM

7.5 It is highly likely much of the lost TV viewing has been replaced with online video viewing. Subscription VOD services are likely to have gained reach (see chart below) and a significant volume of viewing, while YouTube and other online video or gaming sites may also have benefitted, especially among younger consumers. Broadcaster VOD services may also have grown their viewing share outside the standard TV-set Live+7 window, although these trends are harder than live TV to track.

Figure 35: Daily and weekly reach of SVOD services, 2017-18



Source: TAM Ireland/Nielsen TAM

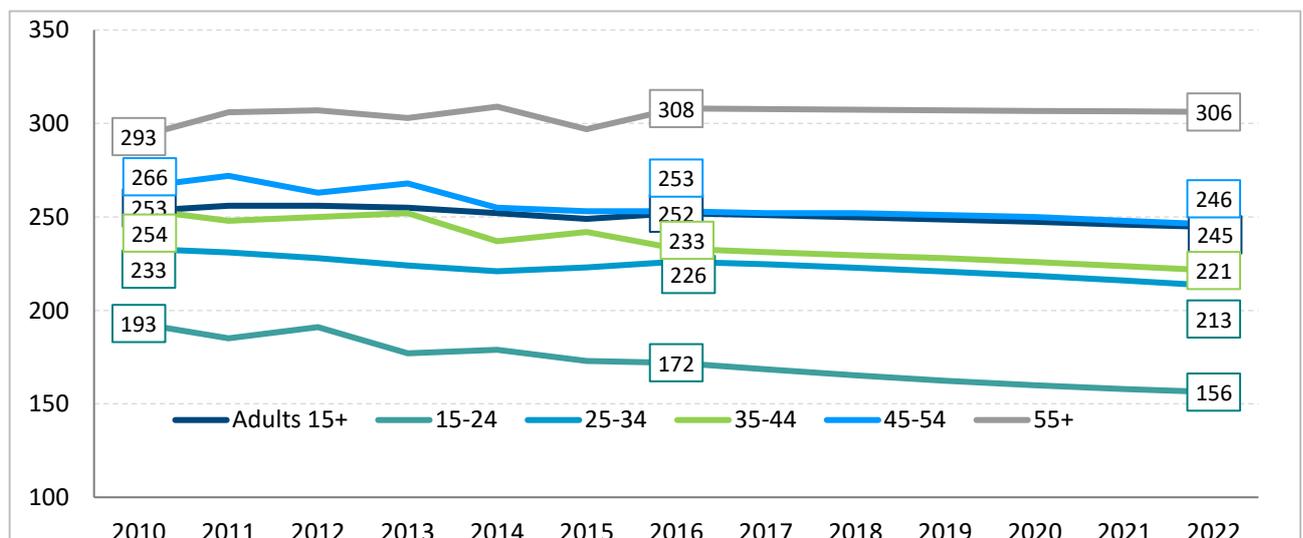
7.6 Data from the US and UK suggest that on-demand video services can continue to grow their reach and viewing hours even once they appear to be relatively mature.

7.7 With the benefit of the past two years of TV viewing data, we can now say that live TV is likely to play a smaller role in total video consumption than we originally forecast just two years ago.

Radio listening trends

7.8 In our 2017 report for the BAI’s BSS review, we made the following live radio listening forecast:

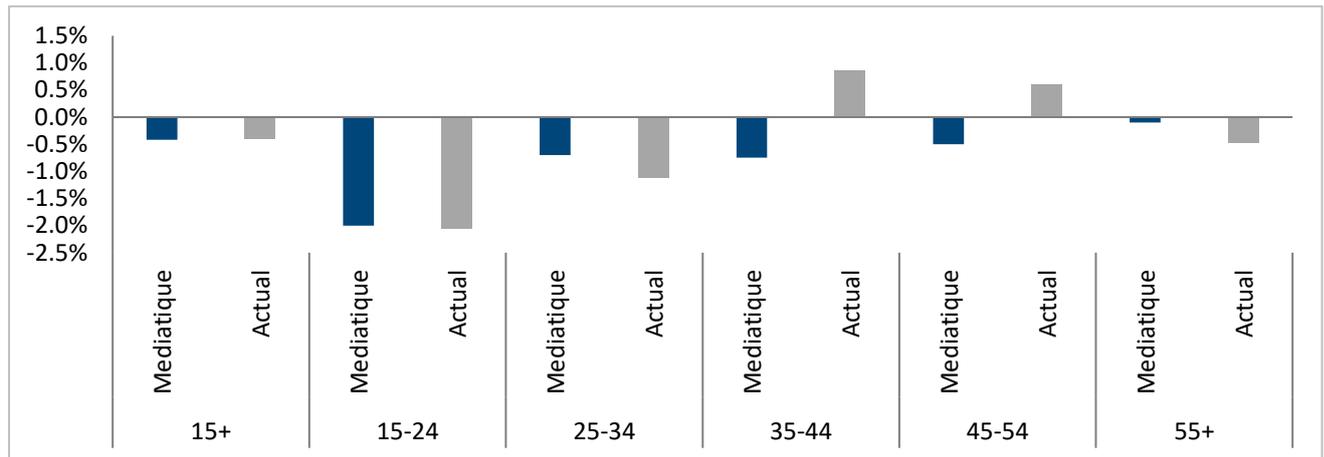
Figure 36: Average daily minutes of live radio listening, 2010 – 2022



Source: JNLR; Mediatique forecasts (2017). Weekday listening, Irish stations, 7am-midnight

7.9 With the release of 2017 and 2018 JNLR listening data, we can now confirm that the live radio listening trends we previously identified still hold: radio listening will be robust and resilient, but it is likely to continue to suffer from competing audio, especially among younger consumers.

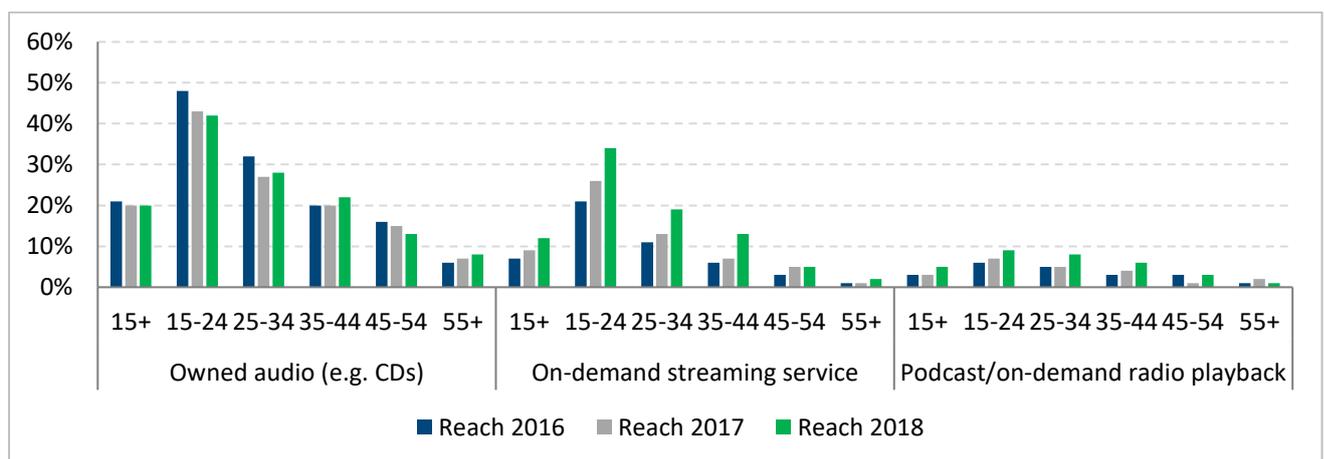
Figure 37: Adults 15+ live radio listening mins/day (2016-18 CAGR)



Source: JNLR (201x/4 report for each year), Mediatique 2017 forecasts. Weekday listening, Irish stations, 7am-midnight

- 7.10 In our 2017 report, we forecast that on-demand audio streaming services (like Spotify) and podcasting would gain a wider audience, and, by 2022, make up a sizeable proportion of total audio listening.
- 7.11 Non-radio audio consumption is difficult to estimate, since JNLR’s measurement of these sources relies on claimed reach and time spent listening to each audio source, rather than on diary data. However, recent releases of JNLR’s Media Updates suggest that reach and usage of on-demand audio streaming services and podcasts are likely to have grown rapidly – faster than we anticipated in our 2017 report, especially among the 25-34 and 35-44 age-groups.
- 7.12 These internet-delivered services have gained ground at the expense of owned audio – a relatively direct substitute for streaming services – and, to a lesser extent, live radio. That radio consumption has remained relatively steady even as claimed use of alternative audio sources has risen would suggest that streaming and podcasting are also growing the overall audio listening market. By broadening consumers’ choices and offering more opportunities to listen, they are encouraging greater total audio consumption.

Figure 38: Daily reach of alternative audio sources (services listened to ‘yesterday’ as per JNLR survey)



Source: JNLR (201x/2 report for each year)

- 7.13 In light of these survey results, we believe that podcasts and audio streaming services will make up a greater proportion of Irish consumers’ total audio diets by 2022 than we forecast in our 2017 report. We also believe that, although they so far appear to have had only a limited negative impact on live radio listening for the average (adult 15+) consumer, there are reasons to be cautious.

- First, the impact on live radio has been greater among younger consumers, who have been the fastest adopters of these newer audio sources. We should expect similar (although more muted) patterns of behaviour to emerge among older age-groups as they begin to use alternative audio services in greater numbers and for longer, and as today's younger consumers take some of their existing behaviours with them into later life.
- Second, streaming services and podcasting are in a good position to grow at the expense of live radio thanks to device and technological changes, which make their use more feasible or convenient. For example, connected in-car multimedia systems (whether proprietary or using Apple CarPlay/Android Auto) and voice-activated smart speakers are 'open' devices (like smartphones), which allow their users to access a far broader range of services than 'closed' radio sets. The purchase alone of these 'open' devices does not necessarily presage a dramatic change in listening behaviours, but they do afford more frequent or convenient access to alternative audio sources which the data suggest are already rapidly gaining in popularity among Irish consumers.

Revenue trends

- 7.14 Our key forecasts in the market review (2017) on market revenues (licence fee, advertising and pay) remain broadly valid. We had anticipated the continuation of a trend favouring 'lite' pay over 'traditional' pay, implying lower average revenue per unit for pay TV operators – this has been the experience in Ireland across Sky, Virgin and Eir TV.
- 7.15 We predicted growth in SVOD, particularly driven by the success of Netflix, as has been confirmed in the latest data from TAM Ireland. This supports our view that SVOD will continue to grow revenues faster than pay TV.
- 7.16 Advertising weakness has persisted, as forecast in our 2017 report. We argued that there was unlikely to be an outcome better than 'flat' for TV and radio in the period 2017-2022, and we see no reason to amend that view for the extended forecast period to 2024.

Implications for a successor fund to S&V3

- 7.17 We expect linear broadcast TV to decline further in favour of a range of non-linear activities including online video (e.g., YouTube), catch-up TV, PVR use and, especially, SVOD. There is also scope for more linear services to be delivered over IP rather than via traditional broadcast means such as satellite, cable and digital terrestrial signals.
- 7.18 However, even once we account for the further drops in 2017 and 2018 in viewing, particularly among younger demographics, and for small adjustments on audio, we continue to expect traditional TV and radio to be the principal routes to market for long-form content of the kind being funded currently by Sound & Vision.
- 7.19 The impact of content funded in this way will continue to be delivered via these traditional means. However, the trends do suggest the need to consider non-linear, on-demand preferences, particularly among younger demographics when considering the future of any successor scheme set to replace S&V3. We take into account these observations in determining the scope and nature of recommendations in the final section of this report.

Future developments at EU level

- 7.20 The successor scheme to S&V3, assuming it is extended from 2020, may well be joined in the future with other funding arrangements for content enabled by changes to the EU Audiovisual Media Services ('AVMS') Directive.
- 7.21 The revised directive was adopted by the European Council on 6 November 2018 and came into force on 18th December 2018. Member States have until September 2020 to implement the revisions into national legislation. The changes were aimed at rendering the Directive compatible with a rapid evolution in AV behaviours, highlighted the growing role of online platforms for consumers accessing content, especially among young audiences.
- 7.22 Among a range of other changes, the revised Directive has been amended as follows:
- **Video-sharing platforms join traditional TV broadcasters and video-on-demand providers under the umbrella of the AVMS Directive:** The expansion of the Directive's remit to include video-sharing platforms where an "essential functionality of such service ... is devoted to providing programmes and user-generated videos to the general public, in order to inform, educate and entertain."⁷⁰
 - **Country of origin is strengthened and clarified:** The strengthening of the "country of origin" principle, and greater clarity on the process of determining the jurisdiction of a given provider. Member States are required to establish and maintain a publicly available register of media service providers in their jurisdictions.
 - **Video-sharing and social media platforms must protect children from harmful content:** Enhanced protection from harmful content online and changes to the rules on the advertising of products high in fat, salt or sugar are extended to content available on video-on-demand platforms.
 - **European content is promoted, with 30% of catalogues to be dedicated to work of European origin:** A requirement that at least 30% of the content provided on TV channels and by video-on-demand platforms be European. The quota is designed to ensure continued investment in European content production and to benefit consumers with easy access to local content. The quota will apply to both incumbent service providers and any international service looking to enter the European market in the future.
- 7.23 A critical change in the context of content funding is the reform on Member States' ability to impose a content levy on online media service providers to pay toward the production of European works. A new fund of this kind might be launched in Ireland and could be administered alongside any new S&V scheme. We cover the question of whether the BAI should be the sponsor of any such newly enabled scheme in the recommendations section below.⁷¹

⁷⁰ http://europa.eu/rapid/press-release_MEMO-18-4093_en.htm

⁷¹ We think it likely that the AVMS revisions will be incorporated into Irish law within the agreed timetable but do not expect a fund to be constituted by then.

8. Key findings and recommendations

- 8.1. Based on our own review, the results of the producer survey, secondary research and the outcomes of the Ipsos-MRBI consumer survey, we have assessed the operation, effectiveness and impact of S&V3 and considered how changes in the market over the short to medium term are likely to condition how an eventual successor to S&V3 (and/or other schemes) should be structured.
- 8.2. We also considered the consistency of the scheme outcomes with the BAI's overarching strategic themes, as outlined in the BAI's own Strategy Statement.
- 8.3. A key theme is Promoting Diversity and Plurality, which is amply delivered by S&V3 in relation to the range of formats and genres funded, ensuring a diverse range of Irish audiences are served and the large number of independent producers whose projects have been assisted.
- 8.4. The theme of **Empowering Audiences** was particularly salient in regard to the scheme's promotion of Adult Literacy as a separate genre and in its objective of facilitating the involvement of members of the public in community media (directly fomented by S&V3's broad support of community TV and radio).
- 8.5. The theme of **Communicating and Influencing** has found resonance in the views expressed by applicants to S&V3, where respondents to the online survey have awarded high marks to the BAI in relation to their communications and interactions with applicants.
- 8.6. The BAI's strategic theme of **Enhancing Innovation and Sectoral Sustainability** is amply reflected in our conclusions around the scheme's contributions in terms of financial and employment impact, sector wide but in particular at community level. We propose a greater emphasis in the future on recognising S+V's role in promoting skills and training, which will further assist in ensuring this theme remains paramount.
- 8.7. The key theme of **Achieving Excellence and Accountability** was particularly evident in the corporate governance structure and associated BAI policies and practices implemented to operate S&V3, aimed at ensuring probity in the expenditure of public money. In the course of our online survey, some respondents questioned whether the BAI's assessment of applications was always clear and transparent.
- 8.8. Based on these observations, we have made a number of recommendations for the BAI's consideration in relation to the structure, administration and strategic context of a successor scheme.

Key findings of our review

- 8.9. There is broad support – among the general population and relevant stakeholders – for intervention to promote Irish content including content in the Irish language. Like other small nations sharing porous borders with larger, culturally powerful neighbours, Ireland is unlikely to see significant indigenous content reflecting Irish culture, heritage and diversity unless there is public intervention.
- 8.10. The role of public funding to support indigenous content creation is recognised in several other international jurisdictions, as summarised in Appendix 2: International review. While these different schemes vary considerably, they are similar in ambition, structure and administration to S&V3 and there are no clear 'best practice' lessons applicable to the Irish case.
- 8.11. In the context of our review of the scheme's **operation**, many users of S&V3 find the application process burdensome, with particular criticism of the time it takes for decisions, uncertainty around whether decisions are wholly consistent and the amount and substance of feedback available to unsuccessful applicants. There are also perceptions, surfaced by the producer survey, that the process is seen to a degree as being unfair and lacking in accountability.

- 8.12. The persistent awarding of lesser amounts than requested, based on perceived micro-management of budgets, may tend to oblige applicants to inflate project costs, in an attempt to ‘game the system’.
- 8.13. Community radio stakeholders in particular are concerned that a ‘one size fits all’ approach to applying even for relatively small amounts makes the system inefficient for smaller operators.⁷²
- 8.14. Many stakeholders call for more rounds per year or even a process of continuous application and review, as well as for the introduction of development funding as a new category for any future scheme. This would reduce turn-around times and limit delays.
- 8.15. In terms of **effectiveness**, the scheme was broadly seen as meeting its main objectives in promoting the creation of new content addressing Irish culture, heritage, diversity and language. Certainly, our data review revealed that the scheme has been fully consistent with the key objectives in this regard and ensured that content was funded (and broadcast) that would have struggled otherwise to be made. This level of effectiveness in achieving outcomes has been critical at a time when other sources of content funding, including from a constrained RTÉ, have been declining.
- 8.16. S&V3 has been a critical contributor to both wider sectoral and audience **impacts**. For the sector, the impact can be measured in terms of financial contribution, the sustaining of direct and indirect jobs, the promotion of skills and training (particularly for community broadcasting and in the regions) and more qualitative measures such as the promotion of social cohesion and community spirit.
- 8.17. In the latest year for which full comparable data is available, 2017, S&V3 funds represented around 3% of relevant original Irish content expenditure. This relatively modest share hides a much deeper and material impact on certain sub-sectors – most notably community radio and broadcasting – and on certain genres (e.g., TV documentaries). The impact on Irish-language content outcomes is significant, as it amplifies the investments made by TG4 and to a much lesser extent RTÉ.
- 8.18. Our review of viewing for scheme-funded content confirms S&V3’s role in assisting in the production of a range of content suiting different tastes – from popular drama to more specialist documentaries in categories that would struggle to get funded if the only criterion were the requirements of the commercial market. That range is confirmation of the positive impact on audiences – in line with the scheme’s stated objectives – of increasing the amount of content available to Irish viewers and listeners while extending choice, diversity and the promotion of Irish culture, heritage and language.
- 8.19. There was widespread recognition among stakeholders that the Irish media markets are evolving rapidly, particularly around device penetration (smartphones, smart speakers), network developments (the prospect of 5G mobile broadband) and consumer behaviour (a further shift from broadcast/linear to IP/on demand). These trends are particularly apparent among younger audiences. As a result, the broadcast-centric approach of S&V3 may not be wholly fit for purpose as a foundation for a successor scheme.
- 8.20. Having accepted that point, we underline that TV and radio continue to be a critical means by which Irish consumers access AV content, and the majority of Irish content funding in the Republic comes from broadcasters. Therefore, and given that a successor scheme would be funded, again, by proceeds from the licence fee (potentially augmented by new funds under a reformed AVMS), it seems appropriate that broadcast continues to be a key route to market for publicly funded programmes.

⁷² The BAI itself is aware that the costs of administering the scheme are not in every case justified by the small amounts awarded, particularly to radio (community and commercial) and community TV.

Recommendations arising from our review

- 8.21. Given the statutory underpinning of Sound and Vision, and its necessary compatibility with European legislation, we have not proposed any changes to the structure, operation, strategic context or objectives that would require changes to primary legislation.
- 8.22. Therefore, we would not recommend any changes to the list of content genres and formats, to the requirement to broadcast S&V3 content in peak hours or to the requirement to have a broadcast distribution partners meeting the obligations set out in the Act.⁷³
- 8.23. A key ambition in developing our recommendations has been to reduce the administrative burden on the BAI and on applicants without sacrificing the necessary level of oversight and accountability rightly associated with the allocation of public money.

General principles

- 8.24. At the outset, we recommend that the BAI continue to be the body responsible for administering schemes arising from the Broadcasting Fund; moreover, we assert that the BAI would be best placed to administer any new schemes that might be established in the Republic as enabled by the reform of the AVMS Directive (in particular, funding coming from online providers and/or pay TV operators).
- 8.25. Any new schemes are likely to have an incremental and compounding impact and need to be considered alongside legacy schemes such as Sound and Vision. It may be that such new schemes could be administered in co-operation with other bodies, but specifically (and only) where multiple funding sources are likely to be needed (e.g., for high-cost TV drama).
- 8.26. We also support the BAI's ongoing efforts to promote a firmer funding foundation for public service media content creation.
- 8.27. Having considered other timeframes for a successor scheme, we concluded that a life of five years (consistent with previous schemes) was appropriate, provided our recommendations on permitting a future scheme to fund content that is distributed online before being broadcast ('digital first') are adopted.⁷⁴ This is in recognition of the time it takes for changes in a scheme's operations to be enacted and the observation that broadcast, while challenged, remains a key means by which Irish audiences access Irish media content.

Administration

- 8.28. The most significant innovations would be to remove community radio and TV from the open rounds, ring-fence funds for the use of community broadcasters and producers and fix, residually, the split between TV and non-community radio projects (for example at 85% and 15% respectively subject to BAI review).⁷⁵
- In our baseline data year of 2017, around €573k was awarded (on a fully adjusted basis) to community radio and TV. If we were to propose this to be raised to €750k, and assuming the annual awards from

⁷³ We are aware of lobbying by commercial radio stakeholders seeking greater public funding, including for News and Current Affairs. If new funding is forthcoming, it may be that Government will wish to consider whether the NCA category might be included as an acceptable target. Absent developments of that kind, we do not see a justification for seeking changes to primary legislation on this singular point.

⁷⁴ See paragraph 8.39 below.

⁷⁵ This compares to the target of 15% for all radio in S&V3, which was rarely met. We have been made aware of work being undertaken internally as to the potential ring-fencing of community awards in a manner similar to what we propose here. For the avoidance of doubt, it is beyond our scope to provide prescriptive detail on any administrative reform of this nature, which is properly for the BAI itself to consider.

a successor scheme were in line with the S&V3 average (at €12m), then commercial and PSB radio would receive around €1.7m (compared the S&V3 average of €800k), and TV would receive €9.6m (compared to the S&V3 average of €10.9m).

- This would significantly reduce the number of applications adjudicated in open rounds.
- The effect of these changes, amplified by the range of recommendations under strategy, below, would be to protect the contribution to community providers, reduce the administrative burden on both the BAI and the applicant pool and slightly re-focus the residual scheme from TV to non-community radio.⁷⁶

8.29. We also recommend that the BAI consider streamlining applications still further, by establishing a shorter and less burdensome process for requests under €10k. This would have an impact on commercial and PSB radio only (i.e., not affecting the higher project value applications for TV).

8.30. The BAI might also wish to consider introducing pre-registration for all applications, permitting them to upload certain documents (insurance, articles of incorporation, certificates, tax clearances) just once at the outset of the launch of the successor scheme(s). These measures would permit the BAI to address to a significant degree the burden in the category of smaller (largely radio) productions, where the costs per award can be greater than the funds allocated.

8.31. We also recommend the introduction of a more formal points system to inform evaluation of applications; and an undertaking to provide to unsuccessful applicants their overall score and additional commentary as feedback.

- A points system does not need to be overly prescriptive but has been found to be a useful source of discipline for assessors of other schemes internationally and would go some distance in reassuring applicants that any apparent arbitrariness is not in fact present. The construction and communication of any such points system would properly be for the BAI to consider.
- The provision of more feedback from assessors and BAI staff, including revealing the points awarded to a given project, should give applicants greater clarity on the reasons their applications were not successful and how they might improve their future applications to ensure consistency with the BAI's requirements. Note that the points awarded do not need to be revealed other than to applicants and staff.

8.32. While some of the applicants we interviewed⁷⁷ were concerned about the level of 'micro-management' (e.g., the requirement to list all participants in a radio documentary in advance or reducing budget line items unilaterally), we found no evidence that the BAI operates unfairly or arbitrarily in this regard. Assuming changes are made to the application process, we assert that oversight and budgetary review are necessary in the context of the distribution of public funds.

Strategy

8.33. We considered the BAI's ability to signal desired genre and format outcomes to the market by determining that a given round might be dedicated to a particular mode (radio, TV) or reflect a particular focus (women's stories).

- While we concede that the BAI may wish to establish a specific focus for a given round, we broadly favour 'open' rounds to encourage the market to generate fresh and innovative ideas across the whole of the audio-visual spectrum.

⁷⁶ Ancillary Measures are already available technically to support community broadcasting.

⁷⁷ The online survey also surfaced some general concerns about the oversight by the BAI. For details, see section 6.

- Examples of establishing a focus might include: encouraging greater cultural and ethnic diversity (in front of and behind the microphone or camera)⁷⁸ or (in line with the Government’s recent decisions on climate change) ensuring that S&V funding awards reflect the significance of the environmental challenges (both in terms of the programmes funded and the policies in place at independent production companies supplying content).
 - The BAI may wish to provide further, foundational requirements or incentives for applicants under a successor scheme. Two examples are: an ongoing recognition of commitment to sensitivity on climate change; and an explicit requirement to establish and track the contribution of a given funded programme to skills development and training (broadly and specifically at regional level) in line with the approach currently applied in the case of community radio and TV funding.⁷⁹
- 8.34. We propose that a successor scheme move to the rhythm of three rounds (all of them open even if subject to a specific focus) every year. While this is less than the ‘continuous, rolling’ rounds called for by some, we think it strikes a balance between, on the one hand, timeliness of decision making, shorter lead times and closer matching of programmes to evolving consumer tastes; and on the other hand the administrative burdens placed on the BAI and its assessors.
- 8.35. Apropos of strategy for funding rounds, the BAI may also wish to consider changes to the Ancillary Measures, which may be re-positioned usefully in light of changes in the marketplace. For example, are there third-party funders that might become partners to the BAI in the context of focussed Ancillary Measures – for example, around adult/media literacy and global challenges including climate change? This might be in addition to using this category to instigate the ring-fencing of community broadcasting recommended in administration sub-section above.
- 8.36. Based on the views of a number of stakeholders, we have also detected a need for greater co-operation between and among multiple providers of content funding in the Republic. In one concrete area, high-cost (‘international’) drama⁸⁰, there may indeed be scope for a more formal joint approach between the BAI (through a successor scheme to S&V3) and Screen Ireland (augmented by recourse of content producers to the tax credits under s481).
- This might also involve jointly operating elements of a new scheme enabled by AVMS-sanctioned changes, but only in drama (we contend that the BAI should be solely responsible for funding other genres as laid out in the Act).
 - Co-ordination with other funders (and with the tax authorities around s481) might also provide a context to agree definitions in content categories (e.g., to qualify under what circumstances documentaries might be considered ‘creative’).
- 8.37. Investments in drama, co-produced with other bodies, are more likely to lead to recoupment by the BAI (and may even generate profits, the implications of which the BAI would need to consider).
- 8.38. The BAI may wish to permit producers to apply for development funds under a successor scheme to S&V3. While not central to such a scheme’s mandate and ambit, providing (limited) development funds might

⁷⁸ This would also reflect an important overarching theme in the BAI’s Strategy Statement – namely, Promoting Diversity and Plurality.

⁷⁹ This would be consistent with one of the BAI’s overarching strategic themes in its Strategy Statement – namely Enhancing Innovation and Sectoral Sustainability.

⁸⁰ The high-end drama segment, where prices have been rising owing to the impact of the entry into various mature markets of the new SVOD providers, might generate commercial returns to content funders such the BAI and Screen Ireland, amplifying the funds available for future investment.

improve the quality of later full-scale submissions and provide an important further means of ensuring innovative content ideas are generated.

- This might be particularly helpful where the BAI considers that certain genres are not well represented and/or are under threat when determined solely by commercial signalling (so called ‘market failure’ genres, including kids, education and certain specialist documentaries).
- We concede that there may be an undue incentive for the BAI to agree to subsequently fund programmes to which development funds have already been granted. This can be offset by ensuring different assessors are assigned to applications in this category, and the funding history is not revealed.

8.39. To take into account future market developments, we recommend that the BAI consider permitting successful applicants in a successor scheme to distribute resultant content/programmes on digital platforms in advance of being broadcast (‘digital first’ as opposed to ‘digital only’).

- This might take the form of permitting radio broadcasters to distribute segments of a documentary in the form of a series of podcasts (distributed online) before or coincident with their broadcast on a radio station. This would serve to augment audiences, permit cross promotion between broadcast and on demand platforms and potentially secure an additional revenue stream (e.g., through advertising around a podcast).
- The same freedom to distribute online would be available to TV as well (for example, a pre-transmission distribution via a TV player such as RTÉ Player) or as an on-demand programme on Virgin Media before appearing as a broadcast. There may be scope to focus attention for these ‘digital first’ opportunities on certain genres and formats, including animation, children’s content generally and short-form content in multiple genres, reflecting the tastes and behaviours of younger audiences in particular.
- We do not see a digital-only distribution route to market being consistent with S&V and its successors; however, the prospect of a new content funding levy arising in time from the reform of AVMS might be suitable means of promoting the creation of content destined for uniquely online rather than broadcast distribution.

8.40. We concluded that a successor scheme of five years’ duration, with digital-first flexibility but with a broadcast backstop, would remain fit for purpose through the relevant period. The BAI might wish to use the next three-year review to confirm that this conclusion remains valid, although given the time it takes to make fundamental changes, we do not recommend reducing the life of the successor scheme to shorter than five years. We are of the view that, even with the rapid changes readily observable in the Irish media market, particularly among younger consumers, broadcast will remain a critical means by which Irish audiences access Irish media.

8.41. Finally, we have detected a concern among some stakeholders around the lack of co-ordination between broadcasters and producers in the context of applying for S&V3, and the degree to which enough work is done prior to application to dovetail the interests of broadcasters and producers. In earlier reviews, the BAI has been advised to create a more formal arrangement involving broadcasters, producers and others. We do not think such a body is required. However, a series of regular workshops sponsored by the BAI (and attended by the key commissioners and a range of producers) might be a useful forum to address two objectives: to communicate evolving views at the BAI around the focus of particular rounds; and to provide a means of enabling regular, informed contact between broadcasters and producers.⁸¹

8.42. We summarise overleaf our key recommendations.

⁸¹ Crowe Horwath, in its 2013 report, advised the creation of a Strategic Consultation Forum.

Figure 39: Mediatique recommendations from this review

General principles

- The BAI should continue in its role as a primary sponsor for the allocation of public funds dedicated to TV and radio content in the Republic

Recommendation	Description	Rationale	Impediments / Execution Risks
Renew scheme for a further five years	<ul style="list-style-type: none"> ▪ A successor scheme to S&V3 should be launched from 2020 (subject to various recommendations listed here); conceivably alongside other scheme(s) enabled by AVMS reform 	<ul style="list-style-type: none"> ▪ The approach to funding Irish content, with the current objectives maintained, is clearly effective and engenders outcomes that are supported by the industry and wider public ▪ Broadcast maintains salience; provided recommendations below on accommodating ‘digital-first’ applications are accepted, a new 5-year fund will remain fit for purpose 	<ul style="list-style-type: none"> ▪ A rapid acceleration in trends might disfavour broadcast further; this eventuality could be addressed in the next three-year review
Do not seek statutory changes (primary legislation)	<ul style="list-style-type: none"> ▪ The relevant sections of the Act should not be changed 	<ul style="list-style-type: none"> ▪ The BAI maintains adequate flexibility under the current terms of the relevant Act to make changes to a successor scheme(s) in line with the recommendations contained in this report without needing to seek alterations to primary legislation 	<ul style="list-style-type: none"> ▪ None
BAI to maintain role as scheme sponsor and adjudicator; prospect should be reserved to appoint the BAI to operate a similar role for a new scheme introduced under AVMS reforms	<ul style="list-style-type: none"> ▪ The BAI’s role is confirmed; any new scheme introduced should be administered by the BAI unless specifically targeting high-end drama (where Screen Ireland might have a co-sponsoring role) 	<ul style="list-style-type: none"> ▪ The BAI has the legacy skills and track record in regard to awarding public money accountably and efficiently ▪ The BAI is best placed to consider the impact of the launch of any new (additional) scheme from 2020 	<ul style="list-style-type: none"> ▪ Existing role is already envisaged in the Act ▪ Decisions around the administration of any new scheme(s) is likely to require political input
The BAI should continue to make the case for incremental public funding for A/V content	<ul style="list-style-type: none"> ▪ The BAI has already supported calls to improve the finances of RTÉ, TG4 and S&V; its recommendations should continue to be voiced with Government 	<ul style="list-style-type: none"> ▪ RTÉ and TG4 have suffered from several years of under-funding, at a time when commercial revenues have not been able to compensate ▪ This jeopardises the wider availability of funds for Irish content funding, by the PSB broadcasters and via the licence fee-dependent S&V 	<ul style="list-style-type: none"> ▪ There has been resistance within Government and commercial broadcasters have criticised the idea of fully reversing the cuts post 2008 in RTÉ’s public funding; this resistance is likely to continue

Administration

- We recommend a number of changes that, when taken together, would serve to reduce burdens on the BAI and applicants without sacrificing oversight and accountability

<i>Recommendation</i>	<i>Description</i>	<i>Rationale</i>	<i>Impediments / Execution Risks</i>
<i>Remove Community Radio and Community TV from open rounds from 2020 (or when practicable)</i>	<ul style="list-style-type: none"> ▪ The BAI to treat Community broadcasters on a ring-fenced basis, with specific funding available, without the need to compete with commercial broadcasters 	<ul style="list-style-type: none"> ▪ The community sector is highly dependent on S&V funds and do not share characteristics of the broader commercial sector ▪ Their status (volunteer, not for profit) makes them less able to compete with commercial bidders ▪ Moreover, the costs to the BAI of administering small allocations to Community broadcasters mean the administrative burden is excessively high 	<ul style="list-style-type: none"> ▪ The BAI will need to articulate why the Community sector should be treated separately ▪ Other potential bidders may express concerns that scheme funds are diverted away from open rounds in this way ▪ Execution availing of Ancillary Measures on supporting community broadcasting is straightforward
<i>Cap Community funding from 2020 at c€750k a year</i>	<ul style="list-style-type: none"> ▪ Community radio and Community TV received €573k in Mediatique’s base data year of 2017; this would be raised to ensure adequate funding is available 	<ul style="list-style-type: none"> ▪ There is a case for more funding for Community providers than the quantum delivered via the contestable approach currently used ▪ If this amount were to be ring-fenced, and the successor to the S&V scheme to be broadly in line with S&V3, then an average of €11.25m a year would be available to non-community TV and radio projects ▪ Administrative burden would be reduced (c400 Community applications were considered during S&V3 to date) 	<ul style="list-style-type: none"> ▪ Although the BAI may wish to consult, it is our view that a change of this kind would be welcomed by the Community sector ▪ Moreover, assuming the recommendation on a new split between non-community radio and TV is confirmed, commercial and PSB radio players would end up with more funding than is the case, on average, under S&V3
<i>Maintain a floor for non-community radio of 15% of all funds under the successor scheme (following the ring-fencing of Community services)</i>	<ul style="list-style-type: none"> ▪ This recommendation is dependent on execution of the preceding recommendation on ring-fencing ▪ A 15% distribution to commercial and PSB radio, assuming the overall successor scheme is of a similar size to S&V3, would generate more for non-community radio than in S&V3 	<ul style="list-style-type: none"> ▪ The commercial and PSB radio target has been 15% under S&V3 but that level has rarely been met ▪ With proper sector engagement, we assert that the non-community radio sector would benefit from greater certainty of funding (15%) and the removal of competing applications from Community players ▪ TV projects would only be marginally affected 	<ul style="list-style-type: none"> ▪ As above, the BAI may feel it must consult; however, this is not strictly necessary

Recommendation	Description	Rationale	Impediments / Execution Risks
<i>Streamline application process for requested amounts below €10k</i>	<ul style="list-style-type: none"> ▪ Create a shorter format assessment for projects requesting up to €10k – affecting around half of all applications ex. Community projects 	<ul style="list-style-type: none"> ▪ By using the same application process for high-value (TV) and low value (mostly radio) projects, the BAI’s process can be inefficient and costly ▪ While oversight and accountability are required, a streamlining of the approach for smaller projects would be an acceptable risk 	<ul style="list-style-type: none"> ▪ None, although value-for-money justification would need to offset implications for public accountability
<i>Introduce pre-registration system for multiple applicants</i>	<ul style="list-style-type: none"> ▪ Certain forms and documents could be uploaded once (or once a year) and be available to the BAI assessors – for example, tax clearances, articles of association, insurance documentation 	<ul style="list-style-type: none"> ▪ As the BAI now operates a web portal for applications, the need to submit the same documentation each time a producer applies creates unnecessary burden 	<ul style="list-style-type: none"> ▪ IT upgrade and storage implications are small
<i>Introduced a standardised points system for assessors and BAI staff</i>	<ul style="list-style-type: none"> ▪ Applications would be scored on the basis of an agreed points system, which the BAI could aggregate and share with applicants (although not publicly) 	<ul style="list-style-type: none"> ▪ To counter criticisms of inconsistency, arbitrariness and lack of fairness, a points system (adjacent to but not replacing) other review techniques and feedback material would engender more trust and give unsuccessful applicants guidance on areas to improve ▪ Assessors might also benefit from the discipline of having to be consistent from project to project and year to year 	<ul style="list-style-type: none"> ▪ Assessors may resist a system that is seen to take the place of judgement and informed subjectivity ▪ The precise structure of a points system needs to be carefully considered (its outlines are beyond our scope)
<i>Increase the amount of feedback to unsuccessful applicants at both Stages 1 and 2</i>	<ul style="list-style-type: none"> ▪ A digest of assessor notes, complete with the output of any scoring arising from the previous recommendation, would be provided to those who are rejected at either stage 	<ul style="list-style-type: none"> ▪ There has been a widespread call for increased transparency on the decision-making process, which fuller disclosure would address ▪ More and better feedback should also improve the quality of future applications 	<ul style="list-style-type: none"> ▪ Assessors and internal BAI staff may resist

Changes in strategy

- The BAI should consider a range of more fundamental changes to the operation of a successor scheme(s)

Recommendation	Description	Rationale	Impediments / Execution Risks
Maintain the ability to have focussed rounds – e.g., gender and other diversity, climate change	<ul style="list-style-type: none"> ▪ The BAI should be able to ‘nudge’ the market by introducing a focus to which assessors and staff will pay particular attention in a given round 	<ul style="list-style-type: none"> ▪ While open rounds are to be preferred (see below), the BAI should be able to foment certain outcomes in relation to focus – including giving credit to applicants whose teams are more diverse and whose commitment to addressing global challenges such as climate change is explicit 	<ul style="list-style-type: none"> ▪ The BAI will need to think carefully about how to communicate focus; this might be enhanced if last recommendation in this list (for workshops) is adopted
From 2020, explicitly value in all assessments a project’s contribution to training, skills development and climate change awareness	<ul style="list-style-type: none"> ▪ In reviewing a project, the BAI would explicitly value a proposal’s consistency with Government focus on climate change and environmental challenges ▪ As it does more routinely for Community projects, the BAI would explicitly reference a given project’s contribution to skills upgrade and training, including in the regions 	<ul style="list-style-type: none"> ▪ The BAI is in a good position to help Government deliver its overall agenda on climate change, including through the operation of a successor scheme(s) from 2020 ▪ The upgrade of skills and provision of on the job training is consistent with the broader educational and developmental ambitions of the Creative Ireland project and with the BAI’s own strategic theme of Enhancing Innovation and Sectoral Sustainability 	<ul style="list-style-type: none"> ▪ None
Assuming recommendations on administrative reform and focus are accepted, then make all rounds ‘open’ and hold them three times a year	<ul style="list-style-type: none"> ▪ Three rounds would be held each year, all open to radio and TV (but not Community) ▪ Focus might be added at the BAI’s discretion 	<ul style="list-style-type: none"> ▪ Many applicants are keen for continuous, rolling rounds, which are not possible to introduce on an efficient basis given current constraints ▪ Moving to three rounds a year would give applications relatively quick turn-arounds ▪ The BAI could contemplate accepting this only on the proviso that administrative burden is reduced as per the recommendations above 	<ul style="list-style-type: none"> ▪ Significant costs for set-up ▪ Probably requires piloting
Re-focus from 2020 on Ancillary Measures (excluding their use for ring-fencing community broadcasting)	<ul style="list-style-type: none"> ▪ Consider an emphasis on Ancillary Measures to take greater advantage of their flexibility (e.g., outreach to potential joint sponsors/funders) 	<ul style="list-style-type: none"> ▪ The Measures are relatively small within S&V3, and may not be adequately known to would-be applicants ▪ There may be scope to multiply their impact by working with other public and commercial bodies 	<ul style="list-style-type: none"> ▪ There would be a requirement for BAI management time

<i>Recommendation</i>	<i>Description</i>	<i>Rationale</i>	<i>Impediments / Execution Risks</i>
<i>Institute more formal approaches to co-productions in drama (e.g., with Screen Ireland)</i>	<ul style="list-style-type: none"> Establish a common approach with other funding bodies to the disbursement of funds to producers of high-end drama 	<ul style="list-style-type: none"> The BAI should maintain its role in TV and radio generally, and certainly in challenged genres such as documentaries, education and children’s The rising costs of high-end content represent a challenge to homegrown Irish drama; a common approach to assist the production sector appears warranted 	<ul style="list-style-type: none"> Requirement to work with other external bodies will raise issues of transparency and accountability for joint operations Prospect of recoupment of investment if programme is successful in secondary markets needs to be considered in terms of how funds are then re-invested (and whether more than original investment ought to be recoupable)
<i>Permit applications for development funding</i>	<ul style="list-style-type: none"> The BAI might entertain modest applications for funding in certain key, challenged genres 	<ul style="list-style-type: none"> This change would permit the BAI to favour certain genres by funding a development slate to improve quality and range of projects 	<ul style="list-style-type: none"> The approach must not pre-empt or distort market signalling from commissioners or siphon away funds more usefully deployed for production Increased burden on the BAI to evolve a parallel assessment system for development as opposed to production (and to ensure ‘blind’ independent consideration of further funding requests)
<i>Permit and facilitate proposals for ‘digital first’ content</i>	<ul style="list-style-type: none"> Programmes (in whole or in part) can be distributed via online means (e.g., podcasting, online video) before being broadcast on radio and TV 	<ul style="list-style-type: none"> Shifting behaviours, particularly among younger audiences, will make it harder over time for the full impact of publicly funded content to materialise by means of broadcast only Broadcasters themselves may be attracted by the ability to distribute (elements of) content prior to peak transmission 	<ul style="list-style-type: none"> Provided broadcast letter remains in place on current terms and basis, impediments to permitting a prior digital distribution are modest Online-only distribution is more difficult to justify under S&V rules – however, a new online fund enabled by AVMS may be the logical alternative
<i>Institute regular workshops with commissioners, producers to discuss the scheme’s operations and any relevant focus</i>	<ul style="list-style-type: none"> A regular series of meetings, sponsored by the BAI and attended by producers and broadcasters 	<ul style="list-style-type: none"> This would address concerns identified in the current model around the lack of co-ordination between commissioners and producers It would also provide an opportunity for the BAI to alert the market to (and consult on) a specific focus proposed for a given future round 	<ul style="list-style-type: none"> There would be an administrative burden associated with introducing regular workshops, offset by the increased co-ordination possible across the relevant supply chain

Appendix 1: List of interviewees

We spoke to a range of internal and external stakeholders, addressing the key themes of the operation, impact and effectiveness of the scheme. Interviews were conducted in-person and by telephone in April-May 2019.

BAI
BBC Northern Ireland
Cartoon Saloon
Communicorp
Community TV Association
CRAOL
Curious Broadcast
Department of Communications, Climate Action and the Environment
Department of Culture, Heritage and the Gaeltacht
Eir TV
Element Pictures
Independent Broadcasters of Ireland
Near FM/Near TV
Ocean FM
Rockfinch
RTÉ
Screen Composers Guild
Screen Directors Guild
Screen Ireland
Screen Producers Ireland
Shinawil
TG4
Virgin Media
Wireless Group
WLR FM

Appendix 2: International review

- The BAI's scheme is unique internationally, with no other countries operating perfectly analogous schemes. However, there are elements of the scheme that can be identified in international case studies; in particular, the redistribution of public money to stimulate the production of high-quality indigenous content in a given genre or across a range of genres.
- We have identified four case studies, against which comparisons with S&V3 can be usefully made:
 - The UK's Contestable Fund
 - NZ On Air
 - CBC Breaking Barriers Film Fund⁸²
 - Denmark's Public Service Pool
- In its review of Sound and Vision 2⁸³, Crowe Horwath looked extensively at a range of countries and the funding systems they have implemented; including New Zealand, Austria, Croatia, the UK, the Netherlands and Poland. We have not sought to reproduce the detailed work they did in this area and have rather focused on those countries which have recently established contestable funds very similar to S&V3 (UK, Canada, Denmark) and to update the Crowe Horwath work on NZ On Air which has undergone a major redevelopment over the past year.
- The examples of Austria and Croatia have been excluded on the basis the information provided in the Crowe Horwath review still holds. These examples can still be useful, particularly in relation to best practice for community broadcasting schemes and skills development at the local level and the BAI may consider further investigation subject to the implementation of changes to S&V3's successor with regard to these areas.

Case study 1: The UK's Contestable Fund

- The UK's Department for Digital, Culture, Media and Sports recently launched a three-year pilot known as the Contestable Fund which will make £60m available to support the creation of children's TV content and public service audio content on radio.
- The fund is split 95:5 children's TV to radio content, with £57m assigned to the "Young Audiences Content Fund" (administered by the British Film Institute), and the remaining £3m assigned to the "Audio Content Fund" administered by a new not-for-profit of the same name, with the support of AudioUK and Radiocentre.
- The fund was established after Ofcom identified certain public service genres in decline, including children's programming, religion and ethics, formal education and arts and classical music genres. A report by DCMS stated "It is the government's view that while the licence fee continues to be paid for receipt of television services a small proportion of the licence fee may be available to organisations other than the BBC to help deliver quality and pluralistic public service content, using competitive forces to ensure the highest quality for the best value for money. This approach may help deliver appropriate volumes of certain valued public service genres ... and stimulate plurality within public service broadcasting."⁸⁴

⁸² The CBC Breaking Barriers Film Fund was recently folded into an entity named CBC Films which is responsible not only for the Breaking Barriers Film Fund successor but various other film-related activities such as pre-licensing and acquisitions for CBC's channels. In order to focus purely on the film fund, we refer to it here and below as the Breaking Barriers Film Fund but recognise the name is outdated.

⁸³ Crowe Horwath, *Final Report*, *op. cit.*

⁸⁴ Department for Culture, Media and Sport, *A BBC for the future: a broadcaster of Distinction*, May 2016. Full report at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/524863/DCMS_A_BBC_for_the_future_linked_rev1.pdf

Audio Content Fund

- The Audio Content Fund is a scheme designed to “support the creation of original radio and audio production in the UK”.⁸⁵ Its primary purpose is to support programming that is less commercially viable and thus often less available to consumers. In particular, the genres of documentaries, comedy, drama and events are noted as examples of less commercially viable radio content, however the fund is open to all genres and is limited only to the definition of “public service content”.
- As with Sound & Vision 3, the goal is additionality; it does not have any requirements to support production companies in anything past the production of successful projects.
- The fund is organised into bidding rounds of which there will be three per year. It has been stated that the fund expects to allocate roughly £660,000 (€761k) in the first three bidding rounds of 2019/2020, but that this will rise to £1m (€1.15m) across the 2020/2021 year.
- Applications must come from production companies themselves with a guarantee of broadcast from an Ofcom-licensed radio station (this can be commercial or community radio stations). Unlike Sound & Vision, approved bids will be paid 100% of the agreed budget.
- The evaluation criteria for the Audio Content Fund are split into three mandatory criteria and five supplementary criteria (below). Applications are expected to score highly across the three mandatory criteria and in at least two of the supplementary criteria.
- The mandatory criteria are as follows:
 - **Quality;** A strong track record in content production must be demonstrated, with named professional production staff who will lead on project
 - **Additionality;** Demonstrate how content is “entirely new” and the extent to which it represents an increase in public service value
 - **Audience Reach;** Using RAJAR, estimate what audience would be reached and how will content be made available online
- The supplementary criteria are as follows:
 - **Nations and Regions;** Encompasses representation of Nations and Regions both on air and off air, and teams outside London/based in Nations and Regions will be at an advantage
 - **Diversity;** Should also be considered both on air and off air, demonstrate how project will tackle under-representation, including gender, disability, age, ethnicity, and sexual orientation
 - **Innovation;** New approaches to output and programming will be merited
 - **New Voices;** Smaller content producers and new talent will be promoted rather than at a disadvantage
 - **Plurality;** Similar to the additionality criterion above, demonstrating how content increases level of public service content on station or within the genre on station
- Content in UK indigenous languages (including but not limited to Welsh, Scottish Gaelic, Irish and Ulster Scots) and content to be broadcast on community radio are subject to specialised conditions so that a low Audience Reach score does not preclude otherwise high-quality projects from getting through. In these scenarios, applicants can use the Audience Reach criterion to demonstrate how content will have a significant impact on the target community rather than necessarily reaching large audiences.
- Broadcasters can publish broadcast opportunities for independent production companies on the Fund’s website to inform them of the broadcasters’ content priorities and allow the independent production companies to respond.

⁸⁵ <https://www.audiocontentfund.org.uk/wp-content/uploads/2019/04/ACF-Public-Guidelines-v2-March-2019.pdf>

The Young Audiences Content Fund

- The YACF will support original programming for children and young audiences up to the age of 18. All genres, across live-action and animation, are eligible. The fund is intended to stimulate both the production and plurality of children’s TV content. The main criteria for funding is “content that will entertain, inform and excite young audiences and has been developed with a clear view of the target audiences’ tastes and preferences, including the service they would access it on.”⁸⁶
- As with S&V3 and the Audio Content Fund, applications must come from production companies in possession of a written commitment from the attached broadcaster who guarantees to make the project available on a free to access Ofcom-regulated service.
- There are no rounds, but applications are accepted on a rolling basis. The awards are non-recoupable and will provide up to 50% of the programme budget.
- All applications are assessed against the fund priorities which match those given in the Audio Content Fund. In the YACF, however, the fund priorities have equal weight.
- In both sub-sets of the UK’s Contestable Fund, the goal is primarily in the additionality of content, rather than the development of the sector as a whole. In particular, the creation of content in so-called “market failure” genres where producers face greater pressures to make content that is commercially viable. Both strands of the pilot aim to relieve some of the financial burden of production in order to stimulate further content production in the genres of children’s TV and public service radio.

Case study 2: NZ On Air

- Since 1989, NZ On Air has existed as an independent contestable broadcast fund, supporting a range of “public good” content across TV, radio and digital platforms. In 2018, the fund underwent a major update with the implementation of the “platform-neutral” NZ Media Fund which aims to increase both the diversity of content and the diversity of platforms on which such content is available. The government has also recently provided an additional NZ\$6m for an Innovation Fund.
- For TV content, qualifying platforms must already reach a significant audience, offer free access for consumers to the project to be funded, has committed an adequate financial investment to the proposal, and can show a track record (or plan) for sustained commitment to New Zealand content.
- As with S&V3, NZ On Air is mandated within New Zealand’s Broadcasting Act and its statutory purpose is “to reflect and develop New Zealand identity”⁸⁷ through the creation of local content for television, radio and, now, online platforms. Public service content is funded for broadcast on Radio New Zealand and TVNZ as well as up to 30 additional media outlets that can bid for funding.
- Projects are assessed based on their business proposal and their cultural case; defined as quality, diversity and discoverability. Proposals must also conform to the Fund’s nine “investment drivers”, which are:
 - **Cultural value:** prioritising content with strong social, cultural, political, historical relevance, particularly among Maori and minority audiences
 - **Balance:** the fund will maintain a mix of special interest and mainstream content
 - **Risk:** the fund will take creative risks and support innovative content
 - **Competition:** encourage competition within the scheme and within media sector to stimulate high-quality content

⁸⁶ <https://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/bfi-young-audiences-content-fund-production-application-guidelines-2019-04.pdf>

⁸⁷ https://d3r9t6niqlb7tz.cloudfront.net/media/documents/FINAL_NZOA_Annual_Report_2018_v11.0_for_print_reduced.pdf

- **Value for money:** support cost-effective content
- **No duplication:** content must be additional and new
- **Leverage:** prioritising content that can attract other investment
- **Capability:** support those with good track records and accountability
- **Fairness:** practice good decision-making to ensure standards are upheld
- There are four funding streams: Scripted, Factual, Music and Platforms. The first three are contestable and open to programme makers/musicians across radio, TV and online services. The Platforms strand is closed and represents the codified annual funding that NZ On Air provides to a range of local media services (including 12 regional access radio stations, the national Radio New Zealand, and services such as captioning and audio description).
- Funding is awarded in rounds and for each round content priorities are decided and published by NZ On Air to ensure under-represented genres are adequately funded.
- In addition to the contestable content fund, NZ On Air commits a proportion of their annual budget (NZ\$400k in 2018) to an Industry Development Fund, which supports conferences, awards and industry development initiatives such as Script to Screen’s Episodic Lab (an intensive workshop for new writing talent to develop TV drama concepts with established script writers) and SongHubs (an initiative bringing international guests to advise new musical talent in song-writing).
- NZ On Air is perhaps the most similar of the case-studies to the Sound & Vision scheme, not least because both come from countries where the sustainability of local content is more challenging given the size and capacity of their media sectors. Both funds are therefore responsible for a much larger remit in encouraging the creation of high-quality local content. There is also the fact both support content creation in indigenous but not widely spoken languages.

Case study 3: CBC Breaking Barriers Film Fund

- The CBC Breaking Barriers Film Fund (also known as CBC Films) is a relatively new fund set up by Canadian public service broadcaster CBC in November 2016 to support the production of films from filmmakers who “bring diverse voices and stories that engage and reflect Canadians on the big and small screens.”⁸⁸ In particular it seeks feature films written and directed by underrepresented Canadian creators, including Canadian women, Indigenous persons, visible minorities, LGBTQ persons and persons with a disability.
- CBC’s initial investment in the fund was CAD\$7.5m over the first three years. Eligibility criteria for the scheme are less codified than in other case studies, however, applications must be for projects in a fictional genre, already have an existing first draft script and not yet be in production. The selection process highlights four main areas that assessors are looking at. These are:
 - The strength and experience of the key creative team
 - The subject matter and/or themes referenced in the film
 - The film’s lead
 - The film’s supporting cast
- Applications are rolling, with no annual rounds or applications deadlines. Applications can apply for funding for either 10% or 20% of the project’s overall budget; a cap of \$1m or \$2m applies for 10% and 20% projects respectively. These percentages correspond with differing returns that CBC expects from the finished product.
 - At the 20% level, CBC gets to put the film on its own platforms (TV and digital) on an expedited basis after the film’s release at festivals. When films are released theatrically, CBC’s rights begin after the

⁸⁸ <https://www.cbc.ca/breakingbarriers/>

theatrical window but are to be negotiated on a case by case basis. In both cases, CBC retains the right to show the film in Canada for six years (exclusive for the first two, and on a non-exclusive basis for the remaining four years), and has non-exclusive international rights (on CBC platforms) in territories where the film has not sold after 2 years.

- At the 10% level, CBC gets to put the film on its own platforms after a 6 month pay TV window following the film's release at festivals. As above, CBC retains rights to show the film on its platforms for 6 years but here CBC's digital and telecast rights are exclusive for the first six months only.
- In many ways, this fund is the least similar to S&V3, not least because of its focus on film and the transactional nature of the funding in which CBC gains certain rights to broadcast. However, it provides useful examples of best practice in developing diversity at a time when the BAI is actively looking to improve its own diversity credentials.

Case study 4: Public Service Pools

- The Danish Film Institute has run a Public Service Pool since 2014. The Pool is a contestable fund for TV broadcasters to encourage the creation and transmission of public service-style content on commercial TV channels across Denmark.
- The three main tenets of the scheme are:
 - **Originality:** Programming must be original and/or innovative and have clearly been developed for a Danish audience. The scheme takes care to point out that applicants should not interpret originality as “experimental and elitist” but rather as “modern, innovative and widely appealing.”⁸⁹
 - **Significance:** Programming must add cultural, social or democratic value to the overall content landscape and aid consumers to make informed choices in society.
 - **Quality:** Both the production quality and the narrative quality must feel higher than that which is found on commercial television. Applications must also show how the funding will further elevate the quality of the end result.
- The Pool is open to TV drama and TV documentaries only although this latter category encompasses factual children's and young people's content also. Over the past few years, 70% of the total fund has been allocated to TV drama, with the remainder allocated to TV documentaries (of which 25% are required to be allocated to children and young people programming).
- Applicants must self-finance at least 50% of their total budget. The 50% cap is flexible for children's content where the fund can support up to 75% total budget at its discretion to encourage competition and production in so-called market failure genres.
- Due to the size and dynamics of the Danish TV landscape, up to 80% of the funds were being spent on content for TV2, Denmark's second public service broadcaster and one of very few channels which can meet the scheme's requirement of not having advertising around or during the broadcast of content supported by the fund.
- In 2018, the fund was overhauled as part of a dramatic reshuffle by the Danish government which established the glide-path for the abolition of the licence fee and the expansion of the Public Service Pool both in terms of annual budget (from DKK35m in 2019 to DKK101m by 2023) and remit; any Danish language audiovisual content (excluding the written word) will be accepted. In particular, radio and podcasts are identified as new supportable products.
- While the tenets and application process have remained the same, the fund expects to support a much wider range of content that will be more responsive to Danish cultural wants and needs.

⁸⁹ <https://www.dfi.dk/branche-og-stoette/stoette/public-service-puljen>

Figure 40: Summary table of international case-studies

	Audio Content Fund (UK)	Young Audiences Content Fund (UK)	NZ On Air (New Zealand)	CBC Breaking Barriers (Canada)	Public Service Pools (Denmark)
Platforms supported	Radio	TV	All media platforms (radio, TV, online, apps)	TV	All media except written word
Size of fund (annual, €)⁹⁰	€761,000 ⁹¹	€65.7m	€77.4m	€1.65m	€4.7m ⁹²
Eligible genres	All genres accepted	Children’s	All genres accepted	Drama	Drama, factual, children’s factual
Proportion of total budget the scheme can support	100%	50%	100% (however, co-financing preferred)	10% or 20% only	50% (or 75% for children’s content)
Eligibility	Production companies (with broadcast letter)	Production companies (with broadcast letter)	Producers (with broadcast letters where applicable)	Directors with key creative team assembled	TV stations
Broadcast requirement	Yes	Yes	Dependent	Yes	Yes
	On an Ofcom-regulated station. Digital-first allowed. Stations with significant audiences take priority	On an Ofcom-regulated channel	Broadcast and online with >\$500k funding requests, online-only acceptable with <\$50k funding requests.	On a CBC channel after its theatrical release	On channel that reaches >50% Danish pop. Digital-first is allowed. Programme cannot contain ads
Evaluation criteria	Quality, additionality, audience reach. ⁹³	Quality, additionality, audience reach, Nations & Regions, diversity, innovation, new voices, and plurality.	Main criteria: Quality, diversity, discoverability.	Strength of creative team, commitment to underrepresented themes/subject matter.	Originality, significance (social, cultural, democratic), quality.

Source: Mediatique, DMCS, Ofcom, national regulators.

⁹⁰ Exchange rates from European Central Bank, taken on 15th May 2019; GBP: 0.86723, NZD: 1.7056, CAD: 1.5117, DKK: 7.4691.

⁹¹ Estimated spend for 2019/2020, this is expected to rise to £1m annually in the second year.

⁹² Due to rise substantially to €13.5m (DKK101m).

⁹³ Additional supplementary criteria earn proposals extra credit, these are: Nations & Regions (content and crew), diversity, innovation, new voices, and plurality.

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