



**TG4 Statement of Performance
Commitments for 2017**

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Final Draft

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Executive Summary

This document presents TG4's Annual Statement of Performance Commitments (ASPC) for 2017 in fulfillment of the requirements of the Broadcasting Act 2009. It sets out TG4's target activities and deliverables for 2017. The ASPC is prepared in accordance with TG4's objects, five-year Statement of Strategy and Public Service Statement.

As recognised in the 2009 Broadcasting Act, TG4 occupies a central place in the Public Service Broadcast (PSB) landscape in Ireland. Established in 1996, TG4 has recently celebrated its 20th birthday as Ireland's national Irish language public service broadcaster. It is a unique cultural asset which serves regional, national and increasingly, global, audiences.

TG4 impacts significantly and positively on a range of critical Irish public policy priorities: promoting the Irish language and culture in an entertaining way, nationally and globally to the Diaspora; supporting highly-skilled jobs; delivering regional employment; encouraging technological innovation; celebrating cultural diversity; and developing the creative sectors in communities far-removed from the main urban areas. By virtue of the quality, impartiality and public trust in TG4's content, it has also contributed to the formation of the cultural values of the citizenship of Ireland. TG4's scale and organisational structure also enable it to be agile, adaptable and innovative in a constantly changing market place.

Despite TG4's many achievements for the Irish language and culture and its many strengths, TG4 faces a number of challenges which need to be addressed. These include:

Broadcast Audience Reach

As Uachtarán na hÉireann, Micheál D. Ó hUiginn re-affirmed to TG4 in his address on the occasion of its 20th birthday, TG4's most important task lies with its core audience of active Irish speakers. However he was also very clear about its duty to help create a "space" where all of the citizens of Ireland could be exposed to the Irish language in an attractive, innovative and interesting context. From TG4's first day of broadcasting in 1996, it has made it clear that, in the same way as the Irish language belongs to all of the people of Ireland, TG4 will seek to appeal to all television audiences in Ireland at certain points of the day and of the week.

The competition in broadcasting means however, that while holding a strong position with its core Irish language audience, TG4's reach with the wider national television audience has been declining over the past few years. The 2013 Crowe Horwarth report for the Broadcasting Authority of Ireland (BAI) noted that Ireland is the smallest Western European market and that its television market is extremely open with the greatest amount of channels available to viewers of all European countries except for the UK. While falling audience levels is also being experienced by all the main Irish broadcasters, TG4 needs to invest in stabilising and growing its audience reach and share.

Under the direction of the new Ardstiúrthóir, TG4 is adopting a new twin-pole audience-facing strategy that aims to create more satisfaction for the core Irish language audience and to reach out to a larger share of the wider national television audience. 2017 will be a year of transition towards this new strategy and its impact is unlikely to be felt until late 2017 or early 2018.

Younger Audience Engagement

It is vital that TG4 strengthens its engagement with younger audiences through its digital content and services. In general, younger viewers are under-represented, relative to other demographic segments, in TG4's audience make-up. TG4 is committed to providing a strong broadcast schedule to

retain relevance with youth audiences and to continue to foster a positive attitude towards the Irish language and culture. Core Media research shows that while young Irish adults still spend 53% of their daily video consumption watching live TV¹, mirroring global trends, Irish children are now watching more online video than television, with online content easier to access than ever before². It is important that TG4 increases its investment in digital content and Apps for children's and teen audiences and invests in content that is visual, interactive, stimulates dialogue and creates communities around the content.

TG4's objective for 2017 is to continue to invest in the delivery of a strong broadcast service and to innovate to deliver new online and mobile services and social media engagement for younger audiences. TG4's focus will be on developing non-linear content and social media as a strategic asset in order to drive strong audience connection and reach and to create value through content, services and brand recognition.

A Stronger Independent Production Sector

Public service broadcasters have a pivotal role to play in driving audio-visual creativity and growth in the creative economy. For example in the UK, PACT, the television producers association estimates that the UK television production sector had revenues of £3bn in 2015 and that the biggest source of revenue for the UK's production companies came from primary UK commissions. This demonstrates the importance of public service broadcasting (PSB) as a major driver for the creation of revenues.

TG4 occupies a central place in the PSB landscape and creative economy in Ireland. It operates as a publisher-broadcaster, a model which allows TG4 to combine creativity, audience-focus and agility. The majority of TG4's Irish-made programmes are commissioned from independent production companies throughout Ireland and TG4 spends over 90% of its annual programme budget on independent production (€21.2m in 2015 and circa €22m estimated for 2016).

Given however, the rate reductions sought from the independent production sector during the downturn in 2008 and that rates have not been reinstated, the independent production sector is under severe pressure. It is finding it difficult to sustain operations and employment levels, to maintain viability and to retain skilled staff. TG4 has encouraged the sector to access additional funding for programming projects through the Sound & Vision Fund and S481 etc. This has supported the sector and allowed it to create some exceptional programmes which have been recognised nationally and internationally through viewership and awards.

As a publisher / broadcaster, TG4 relies on a strong and vibrant production sector. Additional funding and stability are required in order to develop the sector and to nurture Irish creativity and talent.

In 2017, it is TG4's objective (in addition to its investment in content) to introduce new measures to promote stability and growth in the independent production sector in Ireland. These will include amongst others, investment in multi-annual agreements with production companies and initiatives to support internationalisation of the sector and access to global markets. The multiplier effect of this will be good for the Irish economy in terms of income and provision of high skilled jobs.

Adequate Funding & Operating Income

¹ Core Media Outlook 2017.

² Core Media Outlook 2016.

Between 2008 and 2015, TG4's current funding was reduced by over €3m per annum. Along with a non-recoverable VAT liability³, new levies and reductions in commercial income due to the downturn in the economy, these have resulted in an almost €6m reduction in funds available for TG4's operations, on an annual basis. Over the same period, TG4 has delivered extensive cost reductions and it has been accepted that it is a very efficient operation and that no further cost reductions can be secured. Reports commissioned by the BAI over the last few years provide clear evidence that TG4 cannot sustain further cuts to its funding. Sustainability is required in TG4's baseline content funding which is at present, very far below that of S4C the Welsh-language channel and risks, under the new BBC Charter, falling below that of BBC ALBA the Scots Gaelic channel.

While TG4's funding may allow it to hold its current position, albeit with some difficulty, there is a need for additional current and capital investment to enable TG4 to respond to the evolving digital environment, to make content available across a wide range of platforms and to increase its reach with national television audiences.

PSB Cooperation

The 2009 Broadcasting Act has encouraged competition and plurality in the provision of content and this has benefitted audiences. However, co-operation between PSB competitors is also possible. British PSBs for example, are co-operating on digital content distribution, infrastructure, technology and research. TG4 believes that areas should be identified where Irish broadcasters, both north and south, could better co-operate and partner in order to create strategic mutual benefit, for example, co-operation in how younger audiences are served in a non-linear, digital environment.

TG4's Priorities for 2017

In response to these and other challenges, while TG4 has a range of strategic priorities, it aims to focus in particular on a number of key priorities in 2017:

1. A new twin-pole, audience-facing strategy that endeavours to:
 - create more satisfaction for TG4's core Irish language audience.
 - reach out to a bigger percentage of the wider national television audience, to rebuild TG4's resonance with national television audiences and grow audience reach and share.
2. The above includes strengthening TG4's reach with audiences in Northern Ireland and with other Irish communities outside of the island of Ireland (the Diaspora).
3. Delivery of new online and mobile services and social media engagement for younger audiences.
4. Development of non-linear content and social media as a strategic asset for TG4 and the development of TG4's media brand.
5. Establishment of an expanded audience measurement and reporting system for the core Irish language audience in addition to the development of new performance tracking measures.
6. Introduction of new measures to promote stability and growth in the independent production sector in Ireland.

³ Recoverable prior to 2009.

7. Working more closely with RTÉ and other partners, including those in Northern Ireland, to enhance audience reach, reduce costs and drive efficiencies.
8. Engaging actively with the Government's *Creative Ireland* initiative and reinvigoration of TG4's support for implementation of the Government's 20 Year Strategy for the Irish Language (2010-2030). This will encompass:
 - Driving awareness and normalisation of the Irish language.
 - Development of audiovisual content / tools for Irish language acquisition.

These are in addition to the essential objectives for TG4 which are to: deliver efficiency, value-for-money and make the best use of public funding; maximise commercial opportunities; and ensure best-practice governance and compliance with all Broadcasting Codes and regulations. These priorities will be delivered under the direction of the new Ardstiúrthóir and 2017 will be a year of significant change and transition. The impact of much of this strategy, in particular the new audience strategy, is however as noted earlier, unlikely to be felt until late in 2017 or early 2018.

For 2017, TG4's aim is to deliver 18 commitments in the five categories agreed with the BAI. The commitments are listed below with detail on each presented in Section 3. They are not presented in order of priority but rather, in the order of the five themes as agreed with the BAI. In 2017, TG4's content commitments will incur an expenditure of €25.61m⁴ of which €21.1m will be spent directly on Irish-made content and services with the independent production sector here in Ireland. Irish language programming and content will represent 73% of TG4's current public funding in 2017 which is a significant investment.

(I) Audiences - Impact & Reach

1. Implement a "twin-pole" audience-focused strategy to rebuild TG4's resonance with national television audiences and to ensure our content and services are valued highly by our core Irish language audience.
2. Grow TG4's reach and engagement with audiences across the Player, web and mobile services.
3. Strengthen TG4's position with younger audiences – children, teens and 15-34 year olds.
4. Deliver measures to strengthen TG4's reach with audiences in Northern Ireland and with the Diaspora.
5. Establish an expanded audience measurement and reporting system for the core Irish language audience and develop other performance tracking measures.
6. Increase TG4's sub-titling levels to enhance accessibility for audiences.

(II) Content - High Quality & Distinctive

7. Develop TG4's broadcast schedule and programming to support delivery of the new twin-pole audience strategy.
8. Develop non-linear content and social media as a strategic asset for TG4.
9. Promote innovation and creativity throughout TG4's content, services and partnerships.

(III) Promotion & Development of the Irish Language & Culture

10. Introduce innovative measures to promote greater stability and growth in the Irish independent production sector, including in the Gaeltacht.
11. Continue the development of TG4's Irish language Digital Archive.

⁴ Including €1.8m of production staff costs.

12. Engage actively with the Government's *Creative Ireland* initiative and reinvigorate TG4's support for the implementation of the Government's 20 Year Strategy for the Irish Language (2010-2030).

(IV) Transparency & Efficiency

13. Deliver efficiency and value-for-money, making the best use of public funding.

14. Work more closely with RTÉ and other partners to enhance our audience reach, reduce costs and drive efficiencies.

15. Maintain TG4's commercial revenues and maximise commercial opportunities.

16. Deliver TG4's Capital Plan, enhancing services, productivity and efficiency.

(V) Trust & Good Governance

17. Ensure best-practice governance and reporting.

18. Comply with all Codes and regulations under which TG4 functions, exceeding minimum standards where possible.

