



# **TG4 Statement of Performance Commitments for 2015**

***9 March 2015***

This document presents TG4's Annual Statement of Performance Commitments (ASPC) for 2015, in fulfillment of the requirements of the Broadcasting Act 2009. It sets-out the targets and actions that will be delivered in 2015 by TG4 and it has been prepared in accordance with TG4's objects, Statement of Strategy and Public Service Statement.

TG4's purpose is to help strengthen, promote and celebrate the Irish language and culture, to increase its visibility in the daily life of citizens and to have special regard for the elements which distinguish that culture, in particular the Gaeltachtaí. This remit is reflected in all aspects of TG4's strategy.

TG4's longer-term objective is to establish a comprehensive Irish language broadcast schedule with an average of 6 hours per day of new Irish language programmes within a core 40 week schedule, and an average of 4.5 hours per day for the remaining 12 weeks of the year<sup>1</sup>. Supporting this, TG4 aims to continue the development of strong, attractive content for delivery to audiences across multiple platforms including television, mobile, computers and tablets; and to increase the number of original Irish language commissioned programmes.

TG4 has undergone an 18% reduction in Grant-in-Aid over the past number of years in addition to a 42% reduction in commercial income. While commercial income is now recovering, TG4 continued to face financial pressures in 2014. It has however managed these reductions in income in a way that has minimised the impact on the quality and range of award-winning content it broadcasts and provides on-line. While it has cut costs to the minimum, TG4 has also increased the share of public funding expenditure on Irish language programming to almost 74%.

TG4 seeks to maintain and grow its public funding levels in order to deliver its strategic priorities (as outlined in its strategy for 2013-2017). These are:

- An increase in the number of original Irish language commissioned programmes delivered every year.
- Continued strengthening of TG4's Irish language broadcast schedule.
- To invest an additional €2.46m in content (broadcast, online, interactive etc.) over the five years of the strategy.
- Extension of TG4's HD service to Saorview (with a total cost of €650k).
- Development of a "Learning Irish" resource (with a total cost of €760k over 5 years).

These priorities will mean that TG4 can continue to build on its achievements, having a positive impact on audiences, the Irish language and culture, development of the Gaeltacht and regional areas and the Irish economy. TG4 also needs to continue its investment in broadcast and digital technology to ensure it is an effective place of work and that it delivers value-for-money through productivity and efficiency.

In 2015 however, TG4 will face significant challenges in delivering on these strategic priorities. Despite a recommendation from the Broadcast Authority of Ireland (BAI) for an increase in public funding following the five-year review of funding for public service broadcasters (PSBs), and despite extensive funding reductions in 2009, TG4 will be faced with another reduction in its current funding for the 2015 year. In 2009, TG4 current Exchequer funding was reduced by €2.8m. In the second October budget that same year, it was further reduced by almost 8% from €35m to €32.25m. This was a significant financial setback and TG4 had to implement tough expenditure reductions throughout all areas of operations in order to address the cuts. While funding increased again in 2011 by €500k to €32.75m (and was held at this level for four years from 2011 to 2014 inclusive), now, for 2015, current funding will be reduced again, this time by €650k, a 2% reduction on 2014 levels.

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<sup>1</sup> 5.1 hours per day of new Irish language programmes for a 32 week core schedule / season and 4 hours per day is the current objective set out in TG4's Statement of Strategy 2013-2017.

This reduction will impact TG4's ability to deliver on its commitments for 2015. For example, TG4 will be unable to increase its hours of new original Irish language content in 2015, as originally planned. Target new Irish language hours for 2015 are 1,684 compared to a target of 1,710 for 2014 and actual hours of 1,821.5 in 2014.

This is particularly difficult at a time when television is undergoing such significant change. There are now over 60 linear TV channels to choose from in Ireland - for both viewers and advertisers. SKY Media launched four new opt-out channels in 2014 and is planning to launch more in 2015. UTV Ireland launched in early 2015 - the first new commercial national channel in almost a decade. Other platforms have appeared, taking audience share from broadcasters. For example, YouTube now delivers 81% monthly reach<sup>2</sup>. Netflix is also positioning itself strongly and is taking Irish audience share. The competition for viewers and for advertising spend is becoming ever more challenging and 2015 is set to become even more competitive.

The Irish broadcasters are responding with more new home produced content in order to distinguish themselves from the myriad of international channels. TG4 has always delivered a significant amount of home produced Irish language content, spending an average of 90% of its total programme budget on home produced Irish language programming and services every year. 2015 will however be a more difficult year for TG4 as it faces reduced budgets and the requirement to produce unique, compelling content in the Irish language which can entertain and draw strong audience levels - and compete with new home produced English language content from RTÉ, TV3 and UTV Ireland.

TG4's content commitments for 2015 will incur an expenditure of €25.1m<sup>3</sup> of which €20.52m (almost 82%) will be spent directly on Irish language content and services with the Irish language independent production sector here in Ireland. Programming and content will represent 71% of TG4's operating expenditure - a significant investment.

For 2015, TG4's aim is to deliver 16 commitments in the five categories agreed with the BAI:

- (i) Audiences - Impact & Reach;**
- (ii) Content - High Quality & Distinctive;**
- (iii) Promotion & Development of the Irish Language & Culture;**
- (iv) Transparency & Efficiency;**
- (v) Trust & Good Governance.**

The commitments are summarised over and are described in further detail (in addition to the metrics associated with each) in the full document. The commitments are not presented in order of priority but rather, in the order of the five themes as agreed with the BAI.

**(I) Audiences - Impact & Reach**

1. Strengthen TG4's reach with all audiences.
2. Enhance our online content and services to deliver higher levels of audience connection with TG4 through our Player, web and mobile services.
3. Strengthen TG4's engagement with younger audiences – develop our schedule and content services further to attract a greater level of younger viewers to TG4.
4. Increase accessibility to TG4 for audiences with physical, sensory or intellectual disability.

<sup>2</sup> Core Media Outlook 2015.

<sup>3</sup> Including approximately €1.8m of TG4 production staff costs.

**(II) Content - High Quality & Distinctive**

5. Continue to extend the Irish language broadcast schedule, delivering strong “must see” content for all audiences.
6. Ensure the best of Irish creativity is delivered to TG4’s audiences and take measures to ensure creativity and innovation underpin our services.
7. Invest in content technology and systems to enhance our services and to increase their availability to audiences in Ireland and around the world.

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

8. Further develop TG4’s worldwide Irish language service to promote and celebrate the Irish language and identity.
9. Continue to have a positive influence on the awareness and development of the Irish language and culture.
10. Deliver specific proposals to support the Government with successful delivery of the 20 Year Strategy for the Irish Language (2010-2030).
11. Continue to grow TG4’s investment in the Irish language independent production sector through our publisher broadcaster model. In doing so, enhance Ireland’s capabilities in the knowledge-based creative sectors and make a strong contribution to jobs and earnings in the Irish economy.

**(IV) Transparency & Efficiency**

12. Spend at least 70% of TG4’s public funding on Irish language content and use our public funding for public service objects and duties only.
13. Continued efficiency, maximising the value-for-money TG4 delivers.
14. Increase our commercial revenues and develop new commercial opportunities for TG4.

**(V) Trust & Good Governance**

15. Maintain best-practice governance and reporting systems.
16. Deliver our public service and statutory requirements, complying with all relevant broadcasting codes and regulations.